

City of Belmont, California
Comprehensive Annual Financial Report

2015

For the year ended June 30, 2015



CITY OF BELMONT, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

Prepared by
FINANCE DEPARTMENT

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Introductory Section



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City of Belmont

Message from the Finance Director



Parks, Open Space & Recreation



Land Use & Community Design



Circulation and Streetscape



Public Facilities, Services & Safety

General Plan Update Elements

September 25, 2015

To the Citizens of the City of Belmont, California:

We are pleased to present the City of Belmont's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The following pages in this transmittal are intended to summarize and highlight the City's financial results for the fiscal year just ended and complement the Management's Discussion & Analysis (MD&A) and basic financial statements.

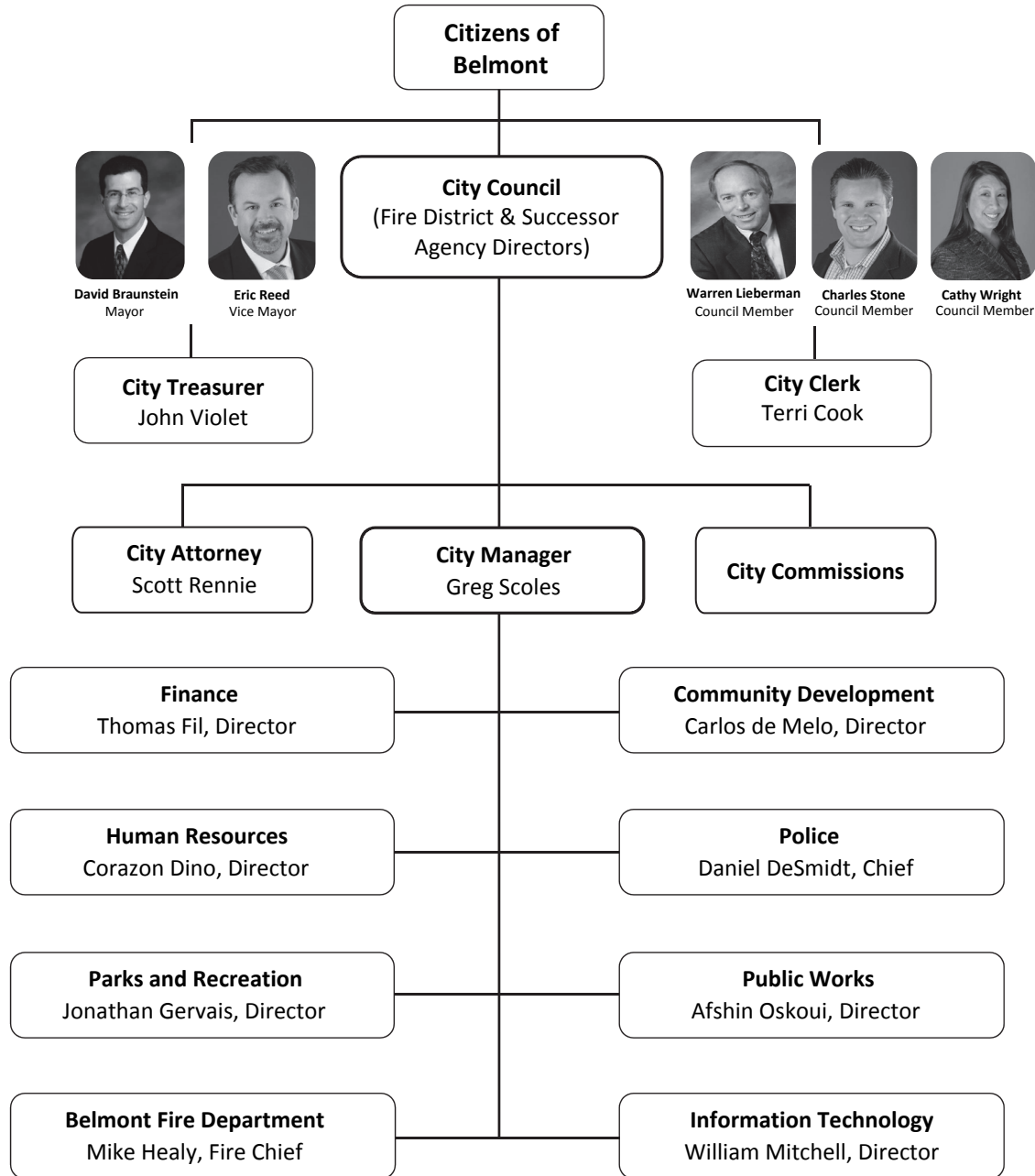
The MD&A, which provides a more comprehensive look at the City's financial results, includes a narrative introduction, overview and analysis. Readers are encouraged to read the MD&A, which can be found immediately following the independent auditor's report in the financial section of the CAFR, along with accompanying basic financial statements.

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

Respectfully,

Thomas E. Fil, CPA, CPFO
Finance Director

Organizational Chart and Principal Officials

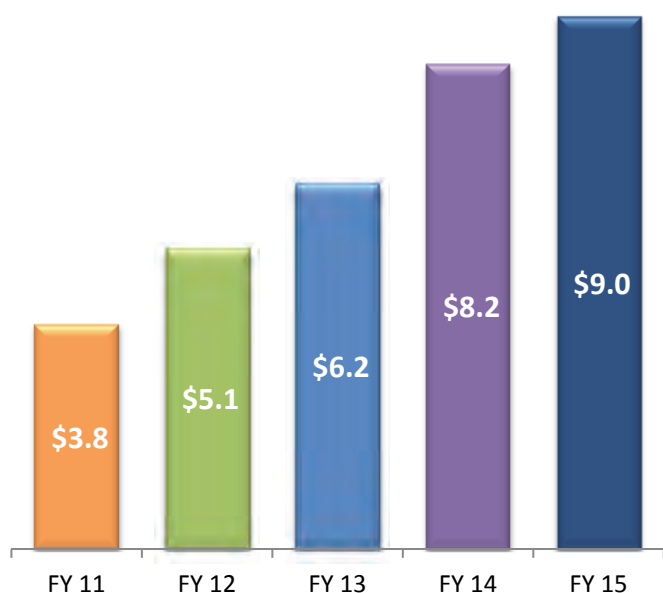


About City of Belmont

The City of Belmont, incorporated in 1926, is located on the San Francisco peninsula, midway between San Francisco and San Jose. The City of Belmont operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The City Council is responsible, amongst other things, for passing ordinances, adopting the budget, appointing commissions, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing day-to-day operations of the City, and for appointing the heads of the various departments.

General Fund Results

General Fund Balance Trends



The City has reached a milestone with stabilized operations. An unprecedented General Fund balance has been reached, but could be threatened by the City's aging infrastructure improvement requirements discussed in greater detail below.

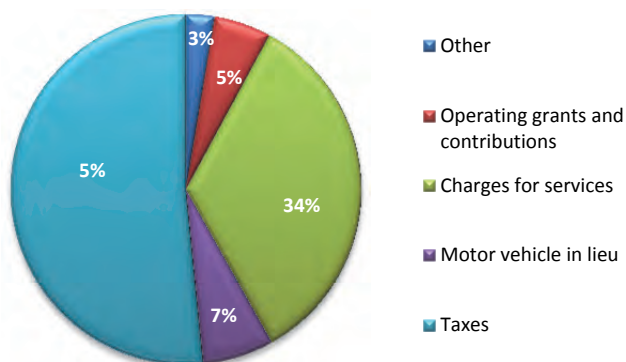
Reflecting an improvement in the local economy, FY 2015 revenues increased to \$20.2 million over last year. Taxes, including transient occupancy taxes and additional property taxes from the dissolution of the RDA, led to the increase.

FY 2015 expenditures were managed and well below the final budget by \$0.6 million. The savings were achieved through the continuation of sustainable budget correction strategies.

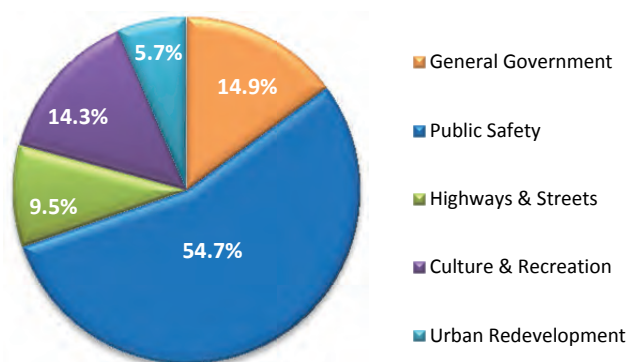
Looking forward, the FY 2016 Budget is balanced and the City's five-year forecast projects future General Fund balances to be above the minimum reserve requirement and achieving the policy reserve target. The Budget also mitigates risk by prefunding 50% of accrued employee leave and a one-time allocation to replenish the Emergency Repair Fund to \$1.0 million.

Governmental Fund Results

Revenues

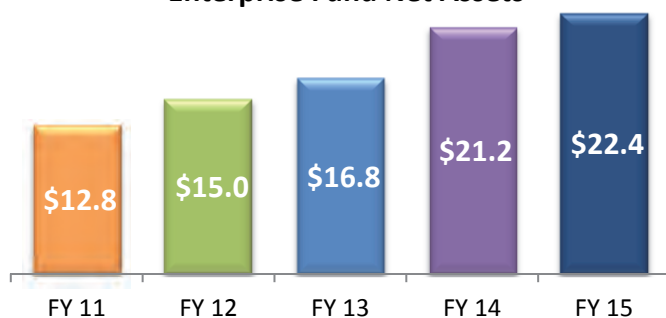


Expenditures



Enterprise Fund Results

Enterprise Fund Net Assets



Operating Revenues of \$13.3 million were an increase over last year, reflecting a rate increase of the sewer collection charges.

Expenditures were controlled at \$7.6 million.

A robust capital improvement plan has been developed for the City's enterprises.

Long-Term Debt

At the end of fiscal year 2015, the City had a total of \$19.9 million in long-term debt. Debt related to governmental activities totaled \$0.2 million in capital leases for a fire apparatus, while business-type activities debt equaled \$19.7 million in sewer revenue bonds. The existing long-term debt does not include addressing deferred capital maintenance and retirement obligations discussed in greater detail below. Additional debt issuances are contemplated.

Cash Management

Cash temporarily idle during the year was invested in U.S. Government securities and with the State Treasurer's Local Agency Investment Fund (LAIF).

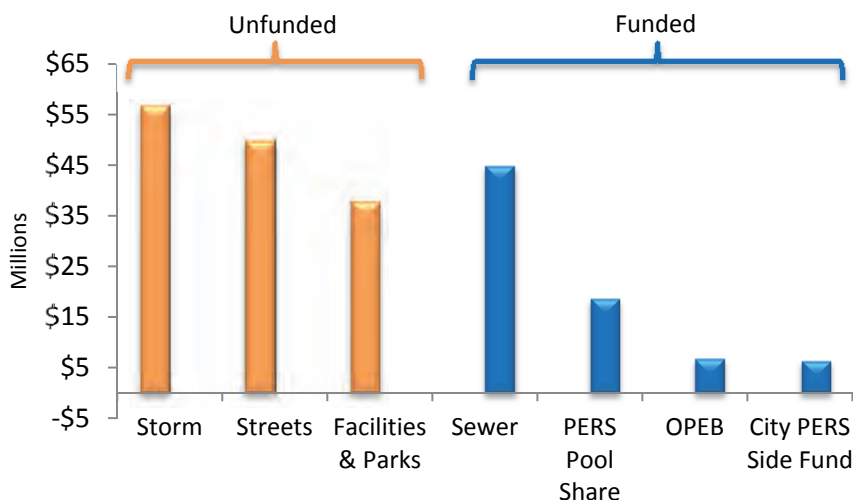
Risk Management

Since 2004, the City has purchased primary workers' compensation insurance with no deductible. All claims from that date are covered 100% by the carrier. Prior to 2004, the City maintained a self-insurance program for workers' compensation. The City also purchases commercial insurance against general liability above the City's self-insured retention of \$250,000.

Capital and Retirement Obligations

Despite the continued growth of the City's General Fund, the sheer magnitude of the City's aging infrastructure will continue to threaten the recent success in stabilizing operations. The FY 2016 Budget provides limited, one-time funds for emergency repairs, but more must be done to reduce the exposure from degrading infrastructure. Belmont is not alone with this long-term issue.

The chart below summarizes the City's estimated capital and retirement obligations as of June 30, 2015. The "Unfunded" items currently have no identified funding source and remain a matter of serious concern. By contrast, the "Funded" items are obligations with identified funding sources, such as sewer rates or PERS and OPEB annual required contributions.



CalPERS

GASB 68, Accounting and Financial Reporting for Pensions, was implemented in FY 2015. The statement has had a material impact on the City's financial statements. The primary objective of the statement was to improve reporting by state and local governments for pensions. The statement establishes new standards for measuring and recognizing liabilities and expenditures, as well as, expands note disclosures and other information about the City's pension.

Key impacts are as follows:

Net Pension Liability (in millions)	
City Safety Tier 1	\$12.0
City Miscellaneous Tier 1	\$12.8
All Others	<u>\$0.3</u>
Total	\$25.1

The City has taken proactive steps to help mitigate CalPERS increases. However, CalPERS will likely take additional steps, such as implementing risk mitigation strategies to the investment portfolio, which could put further pressure on rates and increase liabilities.





Facts and Statistics

2015 Population
26,748

FTE Employees
City - 124.85; Fire - 23

Area
4.61 Sq. Miles

Parks & Recreation

Recreation Class Participants – 39,715
Developed Parks – 14
Acres of Open Space – 287.58
Acres of Developed Parks – 60.4

Permit Center

Permits Issued – 1,163
Inspections Performed – 4,685

Public Safety

Police

Calls for Service – 30,426
Traffic Violations – 1,535
Parking Violations – 3,351
Physical Arrests – 546

Fire

Calls for Service – 2,678
Annual Fire Inspections – 125
Plan Checks – 133

Public Works

Sewer

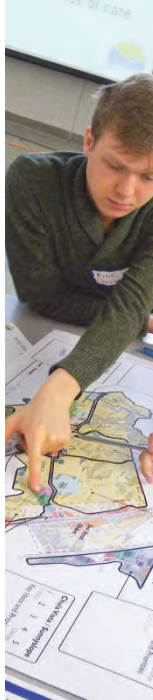
Miles of Sewer – 85
Sewer Connections – 7,663

Storm Drains

Miles of Storm Drains – 27
Storm Drain Inlets – 29

Streets

Miles of Streets – 70
Street Lights – 1,465
Traffic Signals – 17



Vision Statement

The City's Vision Statement typically drives Council's priorities and initiatives, and includes the following areas:

- Distinctive Community Character
- Easy Mobility
- Natural Beauty
- Thriving Culture
- Thriving Economy



Top 10 Employers

1. Oracle America, Inc.
2. RingCentral, Inc.
3. Safeway Store
4. SunEdison
5. Nikon Precision, Inc.
6. Autobahn Motors
7. Auction.com LLC
8. Volkswagon Group of America
9. Silverado Senior Living Belmont Hills
10. Carlmont Gardens Nursing Center



Major Initiatives for FY 2015

- Economic Development, Downtown Revitalization and Advance Planning
- Ralston Avenue Corridor Improvements
- Park and Recreation Improvements (Facilities and Parks)
- Financing Plan for Infrastructure and Services

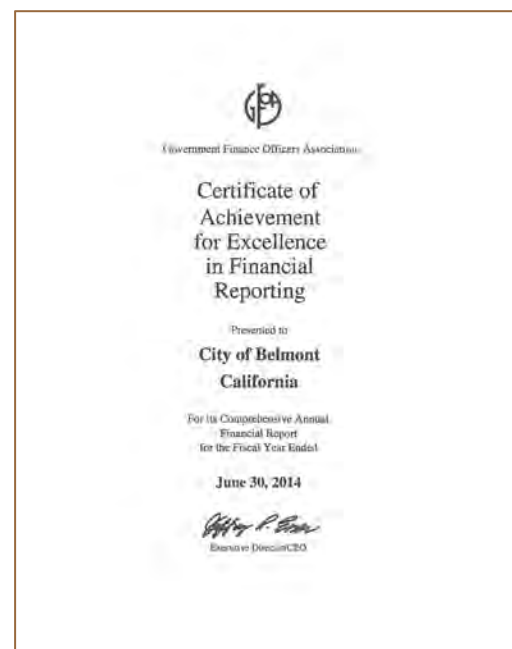
Request for Information

This financial report is designed to provide a general overview of the City of Belmont's finances for all those interested.

Questions concerning any information provided in this report should be addressed to the Finance Director or for additional information regarding the City's financial activities, including past award winning CAFRs, transparency efforts and best practices please visit the City at www.belmont.gov.

Contact Us

Finance Director
Finance Department
Belmont City Hall
One Twin Pines Lane, Suite 320
Belmont, CA 94002
Phone (650) 595-7433



Financial Section

2) NATURAL BEAUTY

2. Peaceful Diverse Trail Systems

Belmont continues to protect its open spaces & trails, keep the hills open & wild

Continue will maintain trails designated along park in the higher part of Belmont

Belmont will continue to protect its open spaces & trails, keep the hills open & wild

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Open space in Belmont is a high priority. Open space is a key element of the town's character and quality of life.

Belmont will continue to protect its open spaces & trails, keep the hills open & wild

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Belmont, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belmont as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 and required the restatement of net position as discussed in Note 9E to the financial statements:

Statement No. 68 – *Accounting and Financial Reporting for Pensions*

Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*

The emphasis of this matter does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
September 25, 2015

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<p style="text-align: center;">CITY OF BELMONT MANAGEMENT'S DISCUSSION AND ANALYSIS</p>

In an effort to make these financial statements clearer and more understandable to readers, the City provides this discussion and analysis of its financial activities for the fiscal year ended June 30, 2015. Please read this document in conjunction with the Letter of Transmittal and accompanying Basic Financial Statements.

FINANCIAL HIGHLIGHTS

City-wide:

- City total assets increased by \$6.22 million to \$140.93 million, of which \$94.97 million represented governmental assets and \$45.96 million represented business-type assets.
- City total liabilities increased by \$24.50 million to \$51.62 million, of which \$28.47 million were governmental liabilities and \$23.15 million were business-type liabilities.
- The City's total net position decreased by \$21.53 million to \$86.06 million. Of this amount, (\$8.62) million (unrestricted governmental net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- City-wide revenues were \$51.47 million, of which \$38.10 million were generated by governmental activities and \$13.37 million were generated by business-type activities.
- City-wide expenses were \$44.44 million, of which \$35.12 million were incurred by governmental activities and \$9.32 million were incurred by business-type activities.

Fund Level:

- Governmental Fund balances increased \$2.51 million to \$24.12 million. Of this amount, \$5.44 million, or 22.57%, was unassigned fund balance and available for spending at the City's discretion.
- Governmental Fund revenues were \$37.72 million, an increase of \$3.66 million from fiscal year 2013.
- Governmental Fund expenditures increased by \$3.11 million to \$35.12 million in fiscal year 2014, from \$32.01 million in the prior year.
- Enterprise Fund net position increased by \$1.26 million to \$22.44 million. Of this amount, \$8.63 million was unrestricted net position and available for spending at the City's discretion.
- Enterprise Fund operating revenues were \$13.31 million in fiscal year 2015 compared to \$12.68 million in the prior year.
- Enterprise Fund operating expenses were \$7.59 million in fiscal year 2015, an increase from \$7.20 million in fiscal year 2014.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report is composed of the following:

1. Introductory section, which includes the Transmittal Letter and general information,
2. Management's Discussion and Analysis (this part),
3. Basic Financial Statements, which include the Government-wide and the Fund financial statements along with the Notes to these financial statements,
4. Combining statements for Non Major Governmental Funds and Fiduciary Funds,
5. Successor Agency reporting, and
6. Statistical information.

The Basic Financial Statements

The Basic Financial Statements consist of the City-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position—long-term and short-term.

The City-wide Financial Statements provide a longer-term view of the City's activities as a whole, and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The Fund Financial Statements report the City's operations in more detail than the City-wide statement and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures, current assets, liabilities and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The City-wide Financial Statements

All of the City's basic services are considered to be Governmental activities, including: general government, public safety, highways and streets, culture and recreation, and miscellaneous. These services are supported by the City's general revenues such as taxes and by specific program revenues such as fees.

All of the City's enterprise activities are reported as Business-type activities, including sewer, storm drainage, and solid waste. Unlike governmental services, these activities are supported by charges paid by users based on the amount of service they use.

The City's governmental activities include the activities of separate legal entities: the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. The City is financially accountable for these entities.

City-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Belmont, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Belmont can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund financial statements provide detailed information about each of the City's most significant funds, called Major Funds. Each Major Fund is presented individually with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the year. The General Fund is always a Major Fund, but other funds may change from year to year as a result of changes in the pattern of the City's activities.

The City has two Major Governmental Funds in fiscal year 2015 in addition to the General Fund, which are discussed in the Analysis of Major Governmental Funds section.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major governmental funds that are Special Revenue Funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are presented only in the city-wide financial statements.

The focus of governmental funds is narrower than that of government-wide financial statements, so it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City of Belmont maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Belmont uses enterprise funds to account for its sewer, storm drain, and solid waste. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Belmont's various functions. The City of Belmont uses internal service funds to account for its workers compensation, liability, vision, benefit stabilization, fleet and equipment, facilities management, and other such services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Sewer, Storm Drainage, and Solid Waste activities. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Statement. The City acts as an agent on behalf of others, holding amounts collected, and disbursing them as directed or required. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements in this report.

Other Information

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

The combining statements referred to earlier, in connection with non-major governmental funds and internal service funds, are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found in the supplemental information section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position and changes in net position of the City's Governmental Activities (Tables 1 and 2) and Business-Type Activities (Tables 3 and 4) are presented in the City-wide Statement of Net Position and Statement of Activities.

Governmental Activities

Table 1 Governmental Net Position at June 30, 2015 and 2014 (in Thousands)		
	2015	2014
Current and other assets	\$29,441	\$25,608
Capital assets	65,533	66,763
Total assets	94,974	92,371
Deferred outflows related to pension	2,587	
Total deferred outflow	2,587	
Current and other liabilities	3,879	3,328
Long-term obligations outstanding	24,587	2,642
Total liabilities	28,466	5,970
Deferred inflows related to pension	5,482	
Total deferred outflow	5,482	
Net position:		
Net investment in capital assets	65,328	66,108
Restricted	6,904	6,664
Unrestricted	(8,619)	13,629
Total net position	\$63,613	\$86,401

Comparative data is not available for FY 2014 related to deferred outflows, deferred inflows and net pension liability due to pension accounting change required by GASBs No. 68 & 71.

Net Position

Net position may serve over time as a useful indicator of a government's financial position. This analysis focuses on the net position and year-to-year changes in net position of the City as a whole. As shown in Table 1 above, the City's governmental total net position are \$63.61 million, representing the difference between total assets and total liabilities. During fiscal year 2015, the overall net position decreased by \$22.79 million, or 26.4%, from \$86.40 million in fiscal 2014. This Change in Net

Position reflects an increase in the Statement of Activities as shown in Table 2 and is explained later in this report. During fiscal 2014-15, the City implemented GASBs 68 & 71 which required the recording of net pension liability and pension related deferred inflows and outflows. See Note 10 for details of this restatement.

The largest portion, approximately \$65.33 million, of the City's net position represents its investment in infrastructure and other capital assets (e.g., land, buildings, other improvements, etc.) used in Governmental activities, net of amounts borrowed to finance that investment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the City's governmental net position of \$6.90 million, or 10.9%, represents resources that are subject to restrictions that may only be used to construct specified capital projects, debt service, redevelopment, or special revenue programs. The restrictions on these funds were placed by outsiders and cannot be changed by the City.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Due to the implementation of GASB 68 & 71 and the recording of a net pension liability, the unrestricted net position was (\$8.62) million.

At the end of the fiscal year 2015, the City is able to report positive balances in all categories of net position for the government as a whole except for unrestricted due to the implementation of GASB 68 and the recording of the net pension liability, which will likely remain a long term liability for several decades.

Changes in Net Position

The Statement of Activities provides information about all the City's revenues and all its expenses, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

The City's Governmental activities net position increased by \$2.99 million. The City's fiscal year 2015 governmental revenue increased by \$1.85 million to \$38.10 million. The governmental expenses decreased by \$0.18 million to \$35.12 million.

Of the total governmental revenues, total program revenues increased by \$1.59 million, or 11.5%, to \$15.37 million from the same time in the prior year.

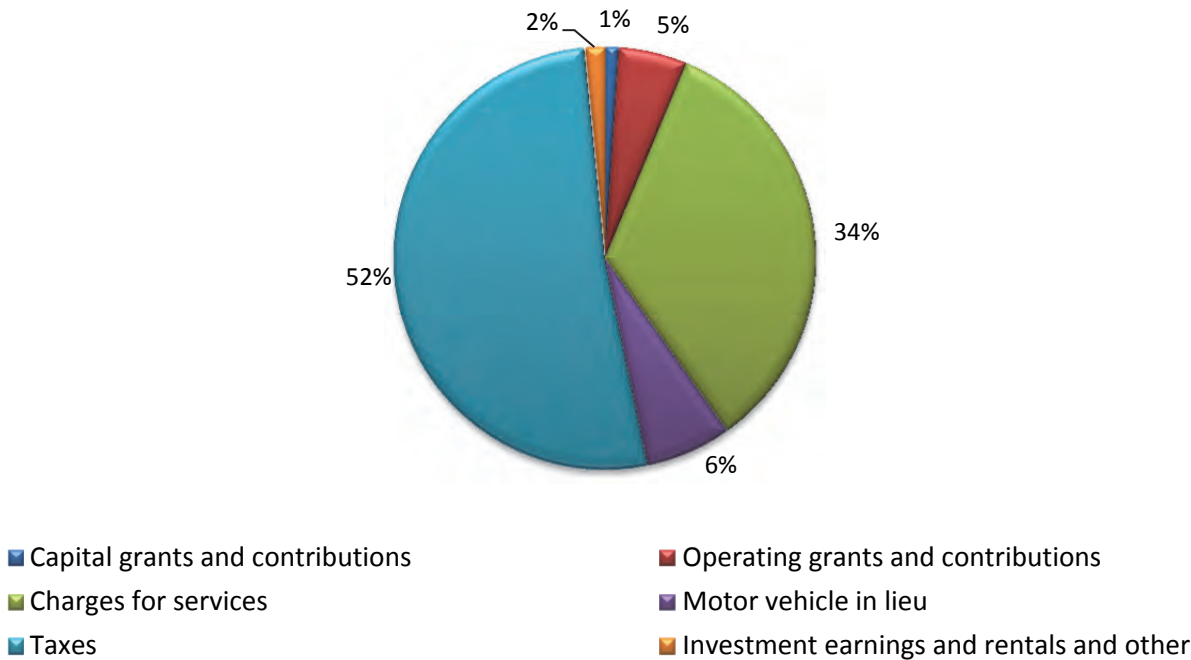
General revenues increased \$0.27 million, of which \$1.27 million was an increase in property taxes reflecting strong housing prices and sales and a \$1.74 million decrease on the gain on the sale of land, which was a one-time event in FY 2014.

Table 2
Changes in Governmental Net Position
(in Thousands)

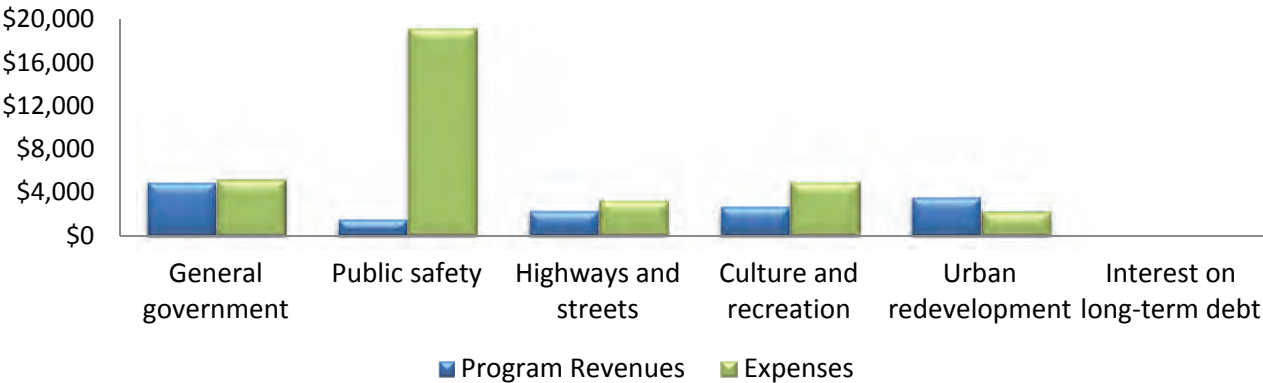
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$12,911	\$11,438
Operating grants and contributions	2,042	1,817
Capital grants and contributions	412	519
Total program revenues	15,365	13,774
General revenues:		
Miscellaneous	554	610
Taxes:		
Motor vehicle in lieu	2,475	2,168
Property taxes	13,134	11,865
Sales taxes	3,086	2,831
Other taxes	3,487	3,260
Gain on sale of land		1,737
Total general revenues	22,736	22,471
Total revenues	38,101	36,245
Expenses		
General government	5,244	5,593
Public safety	19,219	19,429
Highways and streets	3,340	3,413
Culture and recreation	5,018	4,530
Urban redevelopment	2,269	2,295
Interest on long-term debt	25	37
Total expenses	35,115	35,297
Change in net position	2,986	949
Net position-Beginning, as restated	60,627	85,452
Net position-Ending	\$63,613	\$86,401

The following charts display the City’s governmental activities for fiscal year 2015, highlighting the proportionate elements of the Revenue and Expenses by program.

Revenues by Source
Governmental Activities



Expenses and Program Revenues
Governmental Activities
(in thousands)



Business-Type Activities

The statement of Business-Type Net Position (Table 3) and statement of Business-Type Activities (Table 4) present a summary of the City's business-type activities, which are composed of the City's enterprise funds.

Net Position

As shown on Table 3 below, the net position of business-type activities were \$22.44 million in fiscal year 2015. This was a \$4.05 million or 22.0% increase over the beginning net position. This increase was attributable, in part, to revenues associated with the sewer treatment facility charge, which began collection in fiscal year 2012. \$8.42 million or 37.5% of net position is invested in capital assets, net of related debt, while \$4.16 million is restricted for sewer treatment facility charges, \$1.23 million is restricted for debt service, and \$8.63 million or 37.3% are unrestricted and available for the operations of the proprietary funds.

Table 3		
Business-Type Net Position at June 30, 2015 and 2014		
(in Thousands)		
	<u>2015</u>	<u>2014</u>
Current and other assets	\$29,956	\$27,758
Capital assets	<u>16,003</u>	<u>14,583</u>
Total assets	45,959	42,341
Deferred outflows related to pension	<u>227</u>	
Total deferred outflows	227	
Current and other liabilities	1,530	1,172
Long-term debt outstanding	<u>21,628</u>	<u>19,985</u>
Total liabilities	23,158	21,757
Deferred inflows related to pension	<u>587</u>	
Total deferred inflows	587	
Net position:		
Net investment in capital assets	8,425	5,648
Restricted	5,383	3,109
Unrestricted	<u>8,634</u>	<u>12,427</u>
Total net position	<u>\$22,442</u>	<u>\$21,184</u>

Comparative data is not available for FY 2014 related to deferred outflows, deferred inflows and net pension liability due to pension accounting change required by GASBs No. 68 & 71.

Changes in Net Position

As shown on Table 4, total program revenues of business-type activities were \$13.31 million in fiscal year 2015, an increase of \$0.63 million, or 50%, from the prior year. The increase was primarily attributable to the 9% rate increase in the Sewer Enterprise Fund.

Table 4 Business-Type Activities (in Thousands)		
	2015	2014
Revenues		
Program Revenues:		
Charges for Services	\$13,307	\$12,678
Total program revenues	13,307	12,678
General Revenues:		
Investment earnings and miscellaneous	63	15
Total general revenues	63	15
Total revenues	13,370	12,693
Expenses		
Sewer	7,654	6,657
Storm Drainage	1,447	1,237
Solid Waste	223	460
Total expenses	9,324	8,354
Change in net position	\$4,046	\$4,339
Net position-Beginning, as restated	18,396	16,844
Net position-Ending	\$22,442	\$21,183

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Table 5 below summarizes Governmental balances at the fund level:

Table 5 Financial Highlights at Fund Level at June 30 (in Thousands)		
	2015	2014
Total assets	\$26,254	\$22,957
Total liabilities	2,135	1,345
Total fund balances	24,119	21,612
Total revenues	37,719	34,063
Total expenditures	35,116	32,010
Total other financing sources (uses)	(96)	1,725

As of June 30, 2015, the City's Governmental Fund reported combined ending fund balances of \$24.12 million, an increase of \$2.51 million, or 11.6%, from the prior year. In comparison with the prior year, revenues increased by \$3.65 million to \$37.72 million, and expenditures increased by \$3.11 million to \$35.12 million.

Analyses of Major Governmental Funds

General Fund

As the principal operating fund of the City, the General Fund, by definition, is a major Governmental fund. The General Fund accounted for 53.6% of the total governmental revenues and 47.8% of the total expenditures. A number of City services are accounted for in the General Fund, including public safety, general government, and culture and recreation.

At the end of the current fiscal year, the unassigned fund balance of the General Fund of \$5.59 million represents over half of the \$9.05 million total fund balance. Since the unassigned fund balance represents available liquid resources for spending at the City's discretion, it may be useful to compare the unassigned fund balance to total fund expenditures. The City's unassigned fund balance represents 61.8%, or equates to 122 days, of total General Fund expenditures (excluding transfers out) for the year.

During fiscal year 2015, the total fund balance of the City's General Fund increased by \$0.84 million, representing a 10.3% increase over the prior year. The increase was reflective of \$0.88 million in taxes including additional property taxes received from the dissolution of the RDA and the redistribution to taxing entities along with increases in transient occupancy taxes and property taxes reflecting an improvement in the local economy.

General Fund Budgetary Highlights: The 2014-15 fiscal year adopted budget for General Fund expenditures amounted to \$17.34 million (excluding \$3.48 million transfers out). The final budget amount was also \$17.34 million.

General Fund revenues were \$20.23 million, in excess of the final amended budget by \$0.38 million. The additional funds were received in the use of money and property and intergovernmental categories.

Overall expenditures were below the final budget by \$0.57 million. The variance of \$0.88 million in budgeted transfers represents better than budgeted performance in the Recreation Special Revenue Fund, Development Services Special Revenue Fund, and the Facilities Management Internal Service Fund.

Belmont Fire Protection District Fund

The Belmont Fire Protection District (the District) accounts for resources received by a special district, shown as a blended component unit, from the citizens of Belmont and the unincorporated Harbor Industrial Area to finance fire protection and suppression services.

At June 30, 2015, the fund balance increased \$0.65 million over the prior year. Overall revenues increased \$0.95 million, primarily from strong growth and increasing prices in home sales, which increased property tax revenue. Overall expenditures increased minimally.

Affordable Housing Successor Agency Special Revenue Fund

This fund was created to account for Housing functions of the former Redevelopment Agency that the City elected to retain as permitted under ABx1 26. At June 30, 2015, assets primarily consist of loans receivable and land held for redevelopment that were transferred from the former Low and Moderate Incoming Housing Special Revenue Fund.

Analysis of Business-Type Activities—Enterprise Funds

Sewer Fund

This fund accounts for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration, operations, treatment, maintenance, and capital improvement.

Sewer fund operating revenues were \$0.61 million higher at \$11.91 million compared to the previous year, which reflects an approved 9% increase in sewer collection system revenues. Operating expenses increased to \$5.86 million. Net position totaled \$18.68 million on June 30, 2015. \$4.20 million was the net investment in capital assets, \$4.16 million was restricted for treatment facility charges, \$1.23 million was restricted for debt service, and \$9.10 million was unrestricted fund balance, including investment in Silicon Valley Clean Water joint venture.

Storm Drainage Fund

This fund is used to account for the maintenance of the storm drain system and other activities related to the mandated National Pollution Discharge Elimination System (NPDES).

Storm drainage fund operating revenues, which consist primarily of NPDES storm drain charges and street sweeping charges, increased to \$0.94 million reflecting the addition of the street sweeping function to this fund during the fiscal year. Operating expenses increased to \$1.45 million reflecting the additional costs associated with the street sweeping program. Net position totaled \$3.20 million on June 30, 2015, with \$4.23 million invested in capital assets and (\$1.03) million in unrestricted net position related to the implementation of GASB 68.

Solid Waste Fund

Operating revenues decreased to \$0.46 million. Operating expenses of \$0.28 million decreased by \$0.24 million from the prior year as the street sweeping function was transferred to the storm drainage fund. As of June 30, 2015, net position was \$0.56 million, which are not restricted as to use.

CAPITAL ASSETS

Capital assets recorded on the City's financial statements are shown in Table 6. Further detail may be found in Note 7 to the financial statements.

Table 6 Capital Assets at Year-end (in Thousands)		
	2015	2014
<i>Governmental Activities</i>		
Land	\$12,610	\$12,609
Construction in progress	212	168
Buildings	38,688	38,688
Improvements other than buildings	1,036	832
Streets and infrastructure	43,986	42,521
Machinery and equipment	5,144	4,975
Vehicles	3,720	4,661
Less accumulated depreciation	(39,864)	(37,691)
Totals	\$65,533	\$66,763
<i>Business-Type Activities</i>		
Land	\$15	\$15
Improvements other than buildings	28,227	26,018
Machinery and equipment	217	211
Less accumulated depreciation	(12,456)	(11,661)
Totals	\$16,003	\$14,583

The net decrease of \$1.23 million for governmental activities in fiscal year 2015 consists of an increase in accumulated depreciation along with the retirement of a fire truck during the year. See Note 7 A to the financial statements for additional information.

Business-type activities' capital assets increased by \$1.42 million to \$16.00 million.

The City depreciates all of its capital assets over the estimated useful lives. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives can be found in Note 1 G to the financial statements.

DEBT ADMINISTRATION

Each of the City's debt is discussed in more detail in Note 8 to the financial statements. Scheduled retirements were made, which caused the reduction in debt. A summary of debt activity follows:

Table 7
Outstanding Debt
(in Thousands)

	2015	2014
<i>Governmental Activity Debt:</i>		
Capital Lease:		
2011 Lease Purchase Financing- Fire Truck, 4.75%, due 2021		\$398
2008 Lease Purchase Financing-Fire Truck, 4.16%, due 2019	\$204	257
Subtotal Governmental Activity Debt	<u>204</u>	<u>655</u>
<i>Business-type Debt – Sewer Enterprise Fund:</i>		
Long-Term Bonds Payable:		
2001 Sewer Revenue Bonds, 4.375%-5.00%, due 2032	5,420	5,625
2006 Sewer Revenue Bonds, 4.00%-4.375%, due 2036	6,220	6,400
2009 Sewer Revenue Bonds, 3.00%-5.00%, due 2042	8,020	8,185
Subtotal Business-type Debt	<u>19,660</u>	<u>20,210</u>
Total Long-Term Obligations	<u>\$19,864</u>	<u>\$20,865</u>

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department at One Twin Pines Lane, Suite 320, Belmont, CA 94002. Additional information about the City's operations and activities can be obtained from the website at www.belmont.gov.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES
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The Statement of Net Position and the Statement of Activities summarize the City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

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CITY OF BELMONT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$22,646,541	\$8,299,288	\$30,945,829
Cash and investments with fiscal agent (Note 3)		1,920,277	1,920,277
Receivables:			
Accounts	736,578	150,938	887,516
Interest	22,107		22,107
Due from other governmental agencies	642,088	74,173	716,261
Notes receivable (Note 5)	952,216		952,216
Prepays and other assets	1,127,125		1,127,125
Land held for resale (Note 6)	3,315,328		3,315,328
Investment in SVCW- Joint Venture (Note 13)		19,511,410	19,511,410
Capital assets (Note 7)			
Land and construction in progress	12,822,236	14,792	12,837,028
Depreciable assets, net	52,710,516	15,988,528	68,699,044
Total Assets	94,974,735	45,959,406	140,934,141
DEFERRED OUTFLOWS			
Deferred outflows related to pension (Note 10B)	2,586,563	227,129	2,813,692
Total Deferred Outflows	2,586,563	227,129	2,813,692
LIABILITIES			
Accounts payable and other liabilities/ contracts payable	1,309,189	861,540	2,170,729
Deposits	456,147		456,147
Unearned revenue	182,367		182,367
Claims payable (Note 12)			
Due within one year	471,794		471,794
Due in more than one year	193,872		193,872
Compensated absences (Note 1H)			
Due within one year	1,404,607	98,091	1,502,698
Due in more than one year	1,599,896	116,299	1,716,195
Long-term debt (Note 8)			
Due within one year	55,316	570,000	625,316
Due in more than one year	148,677	19,090,000	19,238,677
Net Pension Liability (Note 10)			
Due in more than one year	22,644,795	2,421,876	25,066,671
Total Liabilities	28,466,660	23,157,806	51,624,466
DEFERRED INFLOWS			
Deferred inflows related to pension (Note 10B)	5,481,191	586,581	6,067,772
Total Deferred Outflows	5,481,191	586,581	6,067,772
NET POSITION (Note 9)			
Net investment in capital assets	65,328,759	8,424,614	73,753,373
Restricted for:			
Capital projects	1,233,217		1,233,217
Special revenue programs	5,670,959		5,670,959
Debt service		1,225,891	1,225,891
Sewer Treatment Facility Charge		4,157,517	4,157,517
Total Restricted Net Position	6,904,176	5,383,408	12,287,584
Unrestricted	(8,619,488)	8,634,126	14,638
Total Net Position	\$63,613,447	\$22,442,148	\$86,055,595

See accompanying notes to financial statements

CITY OF BELMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$5,244,211	\$4,937,130	\$59,701		(\$247,380)		(\$247,380)
Public safety	19,218,589	1,143,332	447,502		(17,627,755)		(17,627,755)
Highways and streets	3,340,232	473,341	1,489,393	\$411,980	(965,518)		(965,518)
Culture and recreation	5,018,290	2,729,732	45,720		(2,242,838)		(2,242,838)
Urban redevelopment	2,268,840	3,627,765			1,358,925		1,358,925
Interest on long-term debt	24,850				(24,850)		(24,850)
Total Governmental Activities	35,115,012	12,911,300	2,042,316	411,980	(19,749,416)		(19,749,416)
Business-type Activities:							
Sewer	7,654,335	11,905,392				\$4,251,057	4,251,057
Storm Drainage	1,446,650	943,554				(503,096)	(503,096)
Solid Waste	223,392	458,337				234,945	234,945
Total Business-type Activities	9,324,377	13,307,283				3,982,906	3,982,906
Total	<u>\$44,439,389</u>	<u>\$26,218,583</u>	<u>\$2,042,316</u>	<u>\$411,980</u>	<u>(19,749,416)</u>	<u>3,982,906</u>	<u>(15,766,510)</u>
General revenues:							
Taxes:							
Property taxes					13,134,287		13,134,287
Sales taxes					3,085,607		3,085,607
Transient occupancy taxes					1,947,101		1,947,101
Franchise					1,539,939		1,539,939
Motor vehicle in lieu, unrestricted					2,474,536		2,474,536
Investment earnings and rentals					590,418	17,275	607,693
Loss on disposal of capital assets					(39,381)		(39,381)
Miscellaneous					3,803	45,769	49,572
Total general revenues					<u>22,736,310</u>	<u>63,044</u>	<u>22,799,354</u>
Change in Net Position					2,986,894	4,045,950	7,032,844
Net Position-Beginning, as restated (Note 9E)					<u>60,626,553</u>	<u>18,396,198</u>	<u>79,022,751</u>
Net Position-Ending					<u>\$63,613,447</u>	<u>\$22,442,148</u>	<u>\$86,055,595</u>

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

Fund Financial Statements are presented by individual major funds, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services.

BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

AFFORDABLE HOUSING SUCCESSOR AGENCY SPECIAL REVENUE FUND

To account for Housing functions of the former Redevelopment Agency that have been retained by the City.

CITY OF BELMONT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General	Belmont Fire Protection District	Affordable Housing Successor Agency	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$7,663,042	\$4,796,672	\$176,805	\$7,063,166	\$19,699,685
Receivables:					
Accounts	491,327	206,941		30,161	728,429
Interest	22,107				22,107
Due from other governmental agencies	493,979			148,109	642,088
Due from other funds (Note 4B)	61,874				61,874
Notes (Note 5)			952,216		952,216
Advances to other funds (Note 4C)	322,291				322,291
Prepays and other assets	509,924				509,924
Land held for resale (Note 6)	298,748		3,016,580		3,315,328
Total Assets	\$9,863,292	\$5,003,613	\$4,145,601	\$7,241,436	\$26,253,942
LIABILITIES					
Accounts payable, and other liabilities / contracts payable	\$331,235	\$183,410	\$11,993	\$586,247	\$1,112,885
Deposits	309,038		93,903	53,206	456,147
Unearned revenue	174,367	8,000			182,367
Due to other funds (Note 4B)				61,211	61,211
Advance from other funds (Note 4C)				322,291	322,291
Total Liabilities	814,640	191,410	105,896	1,022,955	2,134,901
FUND BALANCES (Note 9)					
Nonspendable	1,130,963				1,130,963
Restricted		4,812,203	4,039,705	4,247,802	13,099,710
Committed				5,644	5,644
Assigned	2,327,624			2,111,573	4,439,197
Unassigned	5,590,065			(146,538)	5,443,527
Total Fund Balances	9,048,652	4,812,203	4,039,705	6,218,481	24,119,041
Total Liabilities, deferred inflows of resources, and Fund Balances	\$9,863,292	\$5,003,613	\$4,145,601	\$7,241,436	\$26,253,942

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances reported on the governmental funds balance sheet	\$24,119,041
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	66,138,752
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	2,946,856
Accounts receivable	8,149
Prepays and other assets	11,201
Accounts payable and other liabilities / contracts payable	(196,304)
Due to other funds	(663)
Claims payable	(665,666)
Compensated absences	(129,705)

DEFERRED INFLOWS AND OUTFLOWS

The deferred outflows below are not current assets or financial resources; and the deferred inflows are not due and payable in the current period and therefore are not reported in the Governmental Funds.

Deferred outflows	2,586,563
Deferred inflows	(5,481,191)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(203,993)
Compensated absences	(2,874,798)
Net pension liability	(22,644,795)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$63,613,447</u></u>
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See accompanying notes to financial statements

CITY OF BELMONT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General	Belmont Fire Protection District	Affordable Housing Successor Agency	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$9,985,548	\$8,822,554		\$1,784,260	\$20,592,362
Licenses and permits	889,803			956,564	1,846,367
Fines and forfeitures	210,470				210,470
Use of money and property	457,921	1,522	\$122,871	2,806	585,120
Intergovernmental	4,445,505	101,122		552,175	5,098,802
Charges for current services	4,178,493	46,022		4,292,899	8,517,414
Miscellaneous	60,189	740,999		67,115	868,303
Total Revenues	<u>20,227,929</u>	<u>9,712,219</u>	<u>122,871</u>	<u>7,655,819</u>	<u>37,718,838</u>
EXPENDITURES					
Current:					
General government	4,219,915				4,219,915
Public safety	10,410,241	8,592,119		144,011	19,146,371
Highways and streets				2,195,722	2,195,722
Culture and recreation	2,146,876			2,670,511	4,817,387
Urban redevelopment			183,089	2,339,868	2,522,957
Capital outlay				1,736,968	1,736,968
Debt service:					
Principal		451,490			451,490
Interest and fiscal charges		23,351		1,499	24,850
Total Expenditures	<u>16,777,032</u>	<u>9,066,960</u>	<u>183,089</u>	<u>9,088,579</u>	<u>35,115,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,450,897</u>	<u>645,259</u>	<u>(60,218)</u>	<u>(1,432,760)</u>	<u>2,603,178</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 4A)			98,333	2,760,701	2,859,034
Transfers (out) (Note 4A)	<u>(2,606,144)</u>			<u>(348,705)</u>	<u>(2,954,849)</u>
Total Other Financing Sources (Uses)	<u>(2,606,144)</u>		<u>98,333</u>	<u>2,411,996</u>	<u>(95,815)</u>
NET CHANGE IN FUND BALANCES	844,753	645,259	38,115	979,236	2,507,363
BEGINNING FUND BALANCES	<u>8,203,899</u>	<u>4,166,944</u>	<u>4,001,590</u>	<u>5,239,245</u>	<u>21,611,678</u>
ENDING FUND BALANCES	<u>\$9,048,652</u>	<u>\$4,812,203</u>	<u>\$4,039,705</u>	<u>\$6,218,481</u>	<u>\$24,119,041</u>

See accompanying notes to financial statements

CITY OF BELMONT
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$2,507,363
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay and departmental expenditures are therefore added back to fund balance.	1,714,665
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Loss on disposal of capital assets	(45,441)
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Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$326,193 which has already been allocated to serviced funds)	(2,431,088)
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LONG TERM DEBT PROCEEDS AND PAYMENTS

Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	451,490
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	(143,913)
Accrued liability	256,711
Pension expense	234,638

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	442,469
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$2,986,894
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See accompanying notes to financial statements

CITY OF BELMONT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Taxes	\$10,000,575	\$10,000,575	\$9,985,548	(\$15,027)
Licenses and permits	914,069	914,069	889,803	(24,266)
Fines and forfeitures	229,400	229,400	210,470	(18,930)
Use of money and property	319,739	319,739	457,921	138,182
Intergovernmental	3,846,532	4,172,414	4,445,505	273,091
Charges for current services	4,131,833	4,168,042	4,178,493	10,451
Miscellaneous	656	47,656	60,189	12,533
Total Revenues	19,442,804	19,851,895	20,227,929	376,034
EXPENDITURES:				
Current:				
General government	4,966,227	4,592,871	4,219,915	372,956
Public safety	10,510,801	10,540,368	10,410,241	130,127
Culture and recreation	1,866,490	2,209,890	2,146,876	63,014
Total Expenditures	17,343,518	17,343,129	16,777,032	566,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,099,286	2,508,766	3,450,897	942,131
OTHER FINANCING SOURCES USES				
Transfers out (Note 4A)	(2,190,334)	(3,484,994)	(2,606,144)	878,850
NET CHANGE IN FUND BALANCE	<u>(\$91,048)</u>	<u>(\$976,228)</u>	844,753	<u>\$1,820,981</u>
BEGINNING FUND BALANCE			8,203,899	
ENDING FUND BALANCE			<u>\$9,048,652</u>	

See accompanying notes to financial statements

CITY OF BELMONT
 BELMONT FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$8,219,387	\$8,496,868	\$8,822,554	\$325,686
Use of money and property	1,830	1,830	1,522	(308)
Intergovernmental	875,106	918,666	888,143	(30,523)
Total Revenues	<u>9,096,323</u>	<u>9,417,364</u>	<u>9,712,219</u>	<u>294,855</u>
EXPENDITURES:				
Current:				
Public safety	8,790,505	8,977,040	8,592,119	384,921
Capital Outlay	238,473	238,473		238,473
Debt Service:				
Principal	102,306	455,234	451,490	3,744
Interest and fiscal charges	28,495	19,610	23,351	(3,741)
Total Expenditures	<u>9,159,779</u>	<u>9,690,357</u>	<u>9,066,960</u>	<u>623,397</u>
NET CHANGE IN FUND BALANCE	<u>(\$63,456)</u>	<u>(\$272,993)</u>	645,259	<u>\$918,252</u>
BEGINNING FUND BALANCE			<u>4,166,944</u>	
ENDING FUND BALANCE			<u>\$4,812,203</u>	

See accompanying notes to financial statements

CITY OF BELMONT
 AFFORDABLE HOUSING SUCCESSOR SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
REVENUES				
Use of money and property	<u>\$103,000</u>	<u>\$103,000</u>	<u>\$122,871</u>	<u>\$19,871</u>
Total Revenues	<u>103,000</u>	<u>103,000</u>	<u>122,871</u>	<u>19,871</u>
EXPENDITURES				
Urban redevelopment	<u>722,860</u>	<u>242,818</u>	<u>183,089</u>	<u>59,729</u>
Total Expenditures	<u>722,860</u>	<u>242,818</u>	<u>183,089</u>	<u>59,729</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	<u>160,000</u>	<u>108,000</u>	<u>98,333</u>	<u>(9,667)</u>
Total Other Financing Sources (Uses)	<u>160,000</u>	<u>108,000</u>	<u>98,333</u>	<u>(9,667)</u>
NET CHANGE IN FUND BALANCE	<u>(\$459,860)</u>	<u>(\$31,818)</u>	<u>38,115</u>	<u>\$69,933</u>
BEGINNING FUND BALANCE			<u>4,001,590</u>	
ENDING FUND BALANCE			<u>\$4,039,705</u>	

See accompanying notes to financial statements

PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal 2015.

SEWER FUND

To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

STORM DRAINAGE FUND

To account for the maintenance of the storm drain system, street sweeping and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

NON-MAJOR FUND:

SOLID WASTE FUND

To account for operating costs associated with administering the solid waste franchise.

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3)	\$7,299,688	\$176,698	\$822,902	\$8,299,288	\$2,946,856
Cash and investments with fiscal agent (Note 3)	1,920,277			1,920,277	
Accounts receivable	145,636	5,302		150,938	8,149
Prepays and other assets					11,201
Due from other governmental agencies		38,318	35,855	74,173	
Total Current Assets	9,365,601	220,318	858,757	10,444,676	2,966,206
Noncurrent Assets:					
Investment in SVCW joint venture (Note 13)	19,511,410			19,511,410	
Capital assets (Note 7):					
Land and construction in progress	14,792			14,792	
Depreciable assets, net	11,763,370	4,225,158		15,988,528	776,581
Total Noncurrent Assets	31,289,572	4,225,158		35,514,730	776,581
Total Assets	40,655,173	4,445,476	858,757	45,959,406	3,742,787
DEFERRED OUTFLOWS					
Deferred outflows related to pension (Note 10B)	118,258	82,782	26,089	227,129	
Total Deferred Outflows	118,258	82,782	26,089	227,129	
LIABILITIES					
Current Liabilities:					
Accounts payable, and other liabilities / contracts payable	715,390	146,150		861,540	196,304
Due to other funds (Note 4)					663
Claims payable (Note 12)					471,794
Long-term debt (Note 8)	570,000			570,000	
Compensated absences (Note 1H)	65,023	33,068		98,091	
Total Current Liabilities	1,350,413	179,218		1,529,631	668,761
Noncurrent Liabilities:					
Claims payable (Note 12)					193,872
Compensated absences (Note 1H)	71,104	41,100	4,095	116,299	129,705
Long-term debt (Note 8)	19,090,000			19,090,000	
Net pension liability (Note 10)	1,274,672	892,270	254,934	2,421,876	
Total Noncurrent Liabilities	20,435,776	933,370	259,029	21,628,175	323,577
Total Liabilities	21,786,189	1,112,588	259,029	23,157,806	992,338
DEFERRED INFLOWS					
Deferred inflows related to pension (Note 10B)	308,727	216,109	61,745	586,581	
Total Deferred Inflows	308,727	216,109	61,745	586,581	
NET POSITION (Note 9)					
Net investment in capital assets	4,199,456	4,225,158		8,424,614	776,581
Restricted for treatment facility	4,157,517			4,157,517	
Restricted for debt service	1,225,891			1,225,891	
Unrestricted	9,095,651	(1,025,597)	564,072	8,634,126	1,973,868
Total Net Position	\$18,678,515	\$3,199,561	\$564,072	\$22,442,148	\$2,750,449

See accompanying notes to financial statements

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
OPERATING REVENUES					
Charges for current services					
Sewer service charges	\$11,522,251			\$11,522,251	
Sewer connection fees	192,397			192,397	
NPDES storm drain charges		\$484,148		484,148	
Street sweeping		407,640		407,640	
Garbage franchise fee			\$458,337	458,337	
Interdepartmental charges	190,744	51,766		242,510	\$6,088,168
Total Operating Revenues	11,905,392	943,554	458,337	13,307,283	6,088,168
OPERATING EXPENSES					
Personnel services	1,181,169	746,030	182,585	2,109,784	
Services and supplies	4,122,014	466,920	101,542	4,690,476	
Insurance premiums					898,387
Professional and legal					1,038,898
Operating costs					2,803,119
Other post employment benefits					939,088
Insurance claims, net of change in claims payable					183,615
Depreciation	560,555	233,700		794,255	326,193
Total Operating Expenses	5,863,738	1,446,650	284,127	7,594,515	6,189,300
Operating Income (Loss)	6,041,654	(503,096)	174,210	5,712,768	(101,132)
NONOPERATING REVENUES (EXPENSES)					
Gain from the sale of capital assets					6,060
Interest	16,692	140	443	17,275	422,449
Interest expense	(868,184)			(868,184)	
Loss from investment in SVCW - Joint Venture	(922,413)			(922,413)	
Intergovernmental and miscellaneous		45,769	60,735	106,504	19,277
Total Nonoperating Revenues (Expenses)	(1,773,905)	45,909	61,178	(1,666,818)	447,786
Income (Loss) Before Transfers	4,267,749	(457,187)	235,388	4,045,950	346,654
Transfers in (Note 4A)		628,769		628,769	95,815
Transfers (out) (Note 4A)	(628,769)			(628,769)	
Net transfers	(628,769)	628,769			95,815
Change in net position	3,638,980	171,582	235,388	4,045,950	442,469
BEGINNING NET POSITION, AS RESTATED (Note 9E)	15,039,535	3,027,979	328,684	18,396,198	2,307,980
ENDING NET POSITION	\$18,678,515	\$3,199,561	\$564,072	\$22,442,148	\$2,750,449

See accompanying notes to financial statements

CITY OF BELMONT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Storm Drainage	Nonmajor- Solid Waste	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$11,911,827	\$957,020	\$496,582	\$13,365,429	
Interdepartmental charges					\$6,007,259
Payments to suppliers	(3,842,398)	(343,000)	(102,412)	(4,287,810)	(2,931,483)
Payments to employees	(1,186,152)	(744,445)	(200,726)	(2,131,323)	(2,829,714)
Claims paid			(250,000)	(250,000)	(88,449)
Cash Flows from Operating Activities	6,883,277	(130,425)	(56,556)	6,696,296	157,613
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental			60,735	60,735	
Interfund receipts		628,769		628,769	95,815
Interfund payments	(628,769)			(628,769)	
Cash Flows from Noncapital Financing Activities	(628,769)	628,769	60,735	60,735	95,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,811,069)	(403,852)		(2,214,921)	(463,539)
Proceeds from sale of capital assets					6,060
Principal payments on capital debt	(550,000)			(550,000)	
Interest paid	(877,090)			(877,090)	
Cash Flows from Capital and Related Financing Activities	(3,238,159)	(403,852)		(3,642,011)	(457,479)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	16,692	140	443	17,275	422,449
Net Cash Flows	3,033,041	94,632	4,622	3,132,295	218,398
Cash and investments at beginning of period	6,186,924	82,066	818,280	7,087,270	2,728,458
Cash and investments at end of period	\$9,219,965	\$176,698	\$822,902	\$10,219,565	\$2,946,856
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$6,041,654	(\$503,096)	\$174,210	\$5,712,768	(\$101,132)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	560,555	233,700		794,255	326,193
Miscellaneous		45,769		45,769	19,277
(Decrease) increase in due to retirement system					
Change in assets, deferred outflows and liabilities:					
Receivables, net	6,435	(32,303)	38,245	12,377	472
Accounts payable	279,616	123,920	(870)	402,666	(197,457)
Due to other funds					663
Claims payable			(250,000)	(250,000)	93,590
Deferred outflows	(118,258)	(82,782)	(26,089)	(227,129)	
Deferred inflows	308,727	216,109	61,745	586,581	
Net pension liability	(192,509)	(134,757)	(38,503)	(365,769)	
Compensated absences	(2,943)	3,015	(15,294)	(15,222)	16,007
Cash Flows from Operating Activities	\$6,883,277	(\$130,425)	(\$56,556)	\$6,696,296	\$157,613

See accompanying notes to financial statements

FIDUCIARY FUNDS

Successor Agency Trust Fund (Successor Agency) accounts for the activities related to the wind-down of the former Redevelopment Agency

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity – wide financial statements, but are presented in separate Fiduciary Fund financial statement.

CITY OF BELMONT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Successor Agency Trust Fund	Agency Funds
ASSETS		
Cash and investments (Note 3)	\$1,826,430	\$571,050
Cash and investments with fiscal agent (Note 3)	769,869	
Taxes receivable		7,887
Capital assets (Note 15)		
Depreciable, net	<u>1,845,478</u>	
Total Assets	<u><u>\$4,441,777</u></u>	<u><u>\$578,937</u></u>
LIABILITIES		
Accounts payable		\$15,445
Interest payable	\$152,824	
Section 125 employee benefits payable		11,840
Due to other governments		259,428
Due to bondholders		292,224
Long-term debt (Note 15):		
Due within one year	1,125,000	
Due more than one year	<u>9,300,000</u>	
Total Liabilities	<u><u>10,577,824</u></u>	<u><u>\$578,937</u></u>
NET POSITION (DEFICIT):		
Held in trust for private purpose	<u><u>(\$6,136,047)</u></u>	

See accompanying notes to financial statements

CITY OF BELMONT
PRIVATE PURPOSE TRUST FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Successor Agency Trust Fund
	<hr/>
Additions:	
Property Taxes	\$1,744,119
Use of Money and Property	8,305
Miscellaneous	<u>333,398</u>
Total Additions	<u>2,085,822</u>
Deductions:	
Urban redevelopment	945,363
Depreciation	98,826
Interest expense	<u>423,289</u>
Total Deductions	<u>1,467,478</u>
Change in net position	618,344
Beginning Net Position	<u>(6,754,391)</u>
Ending Net Position (Deficit)	<u><u>(\$6,136,047)</u></u>

See accompanying notes to financial statements

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Belmont was incorporated as a general law city in 1926. The City operates under the Council-Manager form of government and is governed by a five member council elected by the City's voters. The City provides the following services: public safety (police and fire), highways and streets, sewer, storm drainage, solid waste, recreation, public improvements, planning and zoning, building inspections, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. *Reporting Entity*

The financial statements of the City of Belmont include the financial activities of the City, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. All of these entities are controlled by and dependent on the City and their financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

The **Belmont Fire Protection District** is a special district created under the general laws of California to provide fire protection services to City residents. The District is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the District. The financial activities of the District have been included in these financial statements in the Belmont Fire Protection District Special Revenue Fund and the BFPD Benefit Prefunding Internal Service Fund. The District does not issue separate financial statements.

The **Belmont Joint Powers Financing Authority** is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority does not issue separate financial statements.

B. *Basis of Presentation*

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These Statements require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, parks operations and maintenance, and legal and administrative services.

Belmont Fire Protection District Special Revenue Fund - To account for property taxes received and expended by the District on providing fire protection services to the City of Belmont and the unincorporated Harbor Industrial Area.

Affordable Housing Successor Agency Special Revenue Fund – To account for Housing functions of the former Redevelopment Agency that have been retained by the City. The revenue sources are primarily from rental activities.

The City reported all the following enterprise funds as major funds in the accompanying financial statements:

Sewer Fund - To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

Storm Drainage Fund - To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES). Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system, street sweeping charges, and NPDES charges.

The City also reports the following fund types:

Internal Services Fund - The funds account for worker's compensation, general liability, vision, benefit prefunding, fleet and equipment management, and facilities management; all of which are provided to other departments on a cost-reimbursement basis.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Trust Funds and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations, and other governments. The City has three agency funds: a Section 125 Plan fund, a fund reporting cash and investments for the Library Community Facilities District and the Net Six Joint Powers Authority. The Successor Agency Private-purpose Trust Fund accounts for the financial activities assumed by the Successor Agency from the former Redevelopment Agency. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales and use, transient occupancy, franchise and gas taxes, intergovernmental revenues, grants, parking fines and interest revenue. Other fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until collected.

Non-exchange transactions, in which the City gives or receives value without directly, receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Revenue Recognition for Enterprise Funds*

Sewer and Storm Drain user fee revenues are placed on the county tax rolls. The County bills customers annually and requires payment prior to year end. Solid waste revenue is remitted by Recology San Mateo County as part of garbage services. At year end there were no material uncollected sewer, storm drain, or solid waste user fees.

F. *Property Tax*

San Mateo County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above, generally within sixty days.

G. *Capital Assets*

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Building and Building Improvements	40 years
Improvements Other than Buildings	25-75 years
Streets and Infrastructure	25-100 years
Machinery and Equipment	5-10 years
Vehicles	5-10 years

Non-infrastructure and infrastructure assets with historical costs exceeding \$5,000 and \$25,000 respectively are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

H. *Compensated Absences*

Compensated absences comprise unpaid vacation and the vested portion of sick leave, which are accrued as earned. Employee bargaining unit agreements specify the vested portion of unused sick leave, which accumulates and is paid at time of termination of City employment. The City's liability for compensated absences is recorded in various Governmental funds and Proprietary funds as appropriate. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid due to terminations are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position.

The changes of the compensated absences were as follows:

	Governmental Activities	Business Type Activities			Total
		Sewer	Storm Drainage	Solid Waste	
Summary of Activity:					
Beginning Balance	\$2,844,583	\$139,070	\$71,153	\$19,389	\$3,074,195
Additions	1,472,896	62,081	36,082	5,962	1,577,021
Payments	(1,312,976)	(65,023)	(33,068)	(21,256)	(1,432,323)
Ending Balance	<u>\$3,004,503</u>	<u>\$136,128</u>	<u>\$74,167</u>	<u>\$4,095</u>	<u>\$3,218,893</u>
Financial Statement Presentation:					
Due within One Year	\$1,404,607	\$65,023	\$33,068		\$1,502,698
Due in More than One Year	<u>1,599,896</u>	<u>71,104</u>	<u>41,100</u>	<u>\$4,095</u>	<u>1,716,195</u>
Total Ending Balance	<u>\$3,004,503</u>	<u>\$136,127</u>	<u>\$74,168</u>	<u>\$4,095</u>	<u>\$3,218,893</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The City Manager submits to the City Council a proposed annual operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them and is subjected to public hearings where comments are obtained for consideration. The Council adopts the budget through passage of a budget resolution at which time the proposed expenditures become appropriations. The budget is effective the following July 1 and may be amended by subsequent resolutions. The City Manager is authorized to transfer appropriations between any departments; however, any revisions, which increase the total appropriations of any fund, must be approved by the Council. Transfers not included in the original budget must be approved by the Finance Director. Where not contractually committed, expenditures may not exceed appropriations at the fund level. Unencumbered appropriations lapse at year end. Supplemental appropriations adopted by the Council are included in the budget versus actual statements.

Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Encumbrances outstanding at year end do not constitute expenditures or liabilities and are reappropriated in the following year budget. Budget amounts include appropriations, which are formally integrated into the City's accounting records for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds. Encumbrances outstanding by fund as of June 30, 2015 were as follows:

Major Governmental Funds:	
General Fund	\$141,699
Belmont Fire Protection District Special Revenue Fund	26,512
Affordable Housing Successor Agency Special Revenue Fund	41,049
Non-Major Governmental Funds	<u>2,872,070</u>
Total Encumbrances	<u><u>\$3,081,330</u></u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Expenditures exceeded budget for the following funds:

Fund	Expenditures in Excess of Appropriations
Supplemental Law Enforcement Services	
Special Revenue Fund	\$2,821

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested consistent with the principles of safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2015 consist of the following:

Statement of Net Assets

Cash and investments	\$30,945,829
Cash and investments with fiscal agent	1,920,277

Fiduciary Funds

Cash and investments	2,397,480
Cash and investments with fiscal agent	<u>769,869</u>

Total Cash and Investments	<u><u>\$36,033,455</u></u>
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Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

As of June 30, 2015, the City holds \$260,716 in unexpended proceeds from the Sewer Revenue Bonds, Series 2006, which were included in Cash and Investments recorded in the Sewer Enterprise Fund. These restricted funds are to be spent on project costs as defined in the underlying indenture.

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment In One Issuer
Local Agency Municipal Bonds	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
State of California Obligations	5 years	N/A	None	None
CA Local Agency Obligations	5 years	N/A	None	None
U.S. Agency Securities (A)	5 years	N/A	None	None
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1 / P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Repurchase Agreements	1 year	N/A	None	None
Reverse Repurchase Agreements (requires City Council approval)	92 days	N/A	20 % of base value	None
Medium Term Corporate Notes	5 years	A	30%	None
Mutual Funds	N/A	Top rating category	20%	10%
Money Market Mutual Funds	N/A	Top rating category	20%	10%
Collateralized Bank Deposits	N/A	N/A	None	None
Mortgage Pass-Through Securities	5 Years	AA	20%	None
County Pooled Investment Funds	N/A	N/A	None	None
California Local Agency Investment Fund	N/A	N/A	None	None

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Local Agency Municipal Bonds	N/A	Two highest rating category
U.S. Treasury Obligations	N/A	N/A
State of California Obligations	N/A	A2/A
CA Local Agency Obligations	N/A	N/A
U.S. Agency Securities (A)	N/A	N/A
Bankers Acceptances	1 year	A1
Commercial Paper	270 days	A1
Short-Term Certificates of Deposit	1 year	A-1
Repurchase Agreements	30 days	A
Money Market Mutual Funds	N/A	AA-M
Collateralized Bank Deposits	N/A	N/A
California Local Agency Investment Fund	N/A	N/A
Unsecured CD's, deposit accounts, time deposits, bankers acceptances	30 days	A-1
Special Revenue Bonds	N/A	AA
Prefunded Municipal Obligations	N/A	AAA
FDIC insured deposit	N/A	N/A
Investment Agreements	N/A	N/A
Pre Refunded Municipal Obligations	N/A	Two highest rating category

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), Export-Import Bank, Farm Credit System Financial Assistance Corporation, Farmers Home Administration, General Services Administration, United States Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), United States Department of Housing & Urban Development (PHA's), the Federal Home Loan Mortgage Corporation (FHLMC) and Federal Housing Administration debentures.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the City's investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	Total
California Local Agency Investment Fund	\$33,263,555		\$33,263,555
Held by Trustees:			
Money Market Mutual Fund	730,700		730,700
US Treasury Notes	1,297,473	\$661,973	1,959,446
Total Investments	<u>\$35,291,728</u>	<u>\$661,973</u>	35,953,701
Cash in banks and on hand			<u>79,754</u>
Total Cash and investments			<u>\$36,033,455</u>

F. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015 these investments matured in an average of 191 days.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2015 are provided by Standard and Poor's except as noted.

Investment Type	AAAm	Total Investment
Money Market Mutual Funds	\$730,700	\$730,700
Not rated:		
California Local Agency Investment Fund		33,263,555
Cash in banks and on hand		79,754
Exempt from rating requirement:		
U.S. Treasury Notes		1,959,446
Total Cash and investments		\$36,033,455

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

The purpose of the majority of transfers is to reimburse a fund, which has made an expenditure on behalf of another fund. Less often, a transfer may be made to open or close a fund.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

Transfers between funds during the fiscal year ended June 30, 2015 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Affordable Housing Successor Agency	General Fund	\$98,333
Special Revenue Funds		
Library Maintenance and Operations	General Fund	201,480 (a)
Recreation	General Fund	417,468
City Trees	General Fund	19,000 (b)
Development Services	General Fund	99,785
Supplemental Law Enforcement Services	General Fund	42,980
Street Maintenance State Gasoline Tax	General Fund	25,500 (b)
	Street Improvements Measure A Grants Special Revenue Fund	348,705
Street Improvements Measure A Grants	General Fund	355,680 (a), (b)
Capital Project Fund		
General Facilities	General Fund	1,202,103 (a), (b)
Planned Park	General Fund	48,000 (b)
Enterprise Fund		
Storm Drainage	Sewer Enterprise Fund	628,769
Internal Service Funds		
Self-Funded Vision	General Fund	2,779
Facilities Management	General Fund	93,036
		<u>\$3,583,618</u>

The purpose of the significant transfers that were not routine in nature or consistent with activities of the fund making the transfers is set forth below:

- (a) Transfer to fund upcoming capital projects
- (b) Transfer to allocate fiscal year 2015 contingency funds

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. As of June 30, 2015, the General Fund was owed \$12,821 by the Supplemental Law Enforcement Services Special Revenue Fund, \$48,390 by the Street Maintenance State Gasoline Tax Special Revenue Fund and \$663 by the Belmont Fire Protection District Benefit Prefunding Internal Service Fund.

C. Interfund Advance

During the fiscal year ending June 30, 2014, the General Fund entered into an agreement with the Development Services Special Revenue Fund to loan up to \$550,000 to fund the General Plan update. Term is set at June 30, 2015, however it is subject to annual automatic renewals. Interest is accrued quarterly based on the Local Agency Investment Fund's quarterly apportionment rates. As of June 30, 2015 the total outstanding is \$322,291.

NOTE 5 - NOTES RECEIVABLE

These notes are summarized below:

Project	Amount
Mid-Peninsula Horizons, Inc.	\$230,007
Multi-Family Rehabilitation Assistance Program	13,479
Home Buyer Assistance Program	<u>708,730</u>
Total notes receivable	<u><u>\$952,216</u></u>

The former Belmont Redevelopment Agency (Agency) entered into the loan programs below to improve the quality of housing and to increase the availability of affordable housing. With the dissolution of the former Redevelopment Agency, the City became the successor to the former Agency's housing activities and as a result assumed the loans receivable as of February 1, 2012.

On September 30, 1992 the former Agency made a loan to **Mid-Peninsula Horizons, Inc.**, a nonprofit corporation, to assist in financing an affordable housing project. The Agency loan is secured by a second deed of trust. The loan bears interest at one percent per annum and is due along with interest in 2039 or the date the project is no longer subject to a related regulatory agreement with HUD, whichever is later.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 5 - NOTES RECEIVABLE (Continued)

In January 1999, the former Agency began funding loans under the **Multi-Family Rehabilitation Assistance Program**. Proceeds of the loans are used to correct structural, health and safety deficiencies, and for cosmetic improvements for homeowners with very low, low, or moderate incomes. Loans are secured by deeds of trust and bear no interest.

In fiscal year 1998-99, the former Agency began providing financial assistance for first time home buyers through the **Home Buyer Assistance Program**. Loans provide down payment assistance to qualified home buyers in Belmont. Loans are long-term low interest loans for down payments on the purchase of single-family residences, town homes, or condominiums. Loans are secured by a deed of trust.

NOTE 6 - LAND HELD FOR RESALE

The City purchased parcels of land as part of efforts to develop or redevelop properties. Land held for resale is carried in the financial statements at the lower of cost or estimated net realizable value.

With the dissolution of the Redevelopment Agency in fiscal year 2012, the City elected to assume housing activities as the Housing Successor, and the land held for resale was transferred to the Affordable Housing Successor Special Revenue Fund on February 1, 2012.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Governmental Activities				
Capital assets not being depreciated:				
Land	\$12,609,903			\$12,609,903
Construction in progress	167,828	\$44,505		212,333
Total capital assets not being depreciated	12,777,731	44,505		12,822,236
Capital assets being depreciated:				
Buildings and building improvements	38,687,973			38,687,973
Improvements other than buildings	831,770	204,715		1,036,485
Streets and infrastructure	42,520,829	1,465,446		43,986,275
Machinery and equipment	4,975,055	168,841		5,143,896
Vehicles	4,660,872	294,697	(\$1,235,938)	3,719,631
Total capital assets being depreciated	91,676,499	2,133,699	(1,235,938)	92,574,260
Less accumulated depreciation for:				
Buildings and building improvements	11,852,085	925,133		12,777,218
Improvements other than buildings	211,851	37,911		249,762
Streets and infrastructure	17,663,366	1,310,499		18,973,865
Machinery and equipment	4,611,467	161,117		4,772,584
Vehicles	3,352,191	322,621	(584,497)	3,090,315
Total accumulated depreciation	37,690,960	2,757,281	(584,497)	39,863,744
Total depreciable assets	53,985,539	(623,582)	(651,441)	52,710,516
Governmental activity capital assets, net	\$66,763,270	(\$579,077)	(\$651,441)	\$65,532,752

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – CAPITAL ASSETS (Continued)

	Balance June 30, 2014	Additions	Balance June 30, 2015
Business-type activities			
Capital assets not being depreciated:			
Land	\$14,792		\$14,792
Total capital assets not being depreciated	14,792		14,792
Capital assets being depreciated:			
Improvements other than buildings	26,017,813	\$2,209,486	28,227,299
Machinery and equipment	211,282	5,435	216,717
Total capital assets being depreciated	26,229,095	2,214,921	28,444,016
Less accumulated depreciation			
Improvements other than buildings	11,463,438	790,470	12,253,908
Machinery and equipment	197,795	3,785	201,580
Total accumulated depreciation	11,661,233	794,255	12,455,488
Total depreciable assets	14,567,862	1,420,666	15,988,528
Business-type activity capital assets, net	<u>\$14,582,654</u>	<u>\$1,420,666</u>	<u>\$16,003,320</u>

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions require to be accounted for as revenues at the time the capital assets are contributed.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 7 – CAPITAL ASSETS (Continued)

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
General Government	\$868,492
Public Safety	252,097
Highways and Streets	1,115,198
Culture and Recreation	195,301
Depreciation Charges to Internal Service Funds	<u>326,193</u>
Total Governmental Activities	<u><u>\$2,757,281</u></u>
Business-Type Activities	
Sewer	560,555
Storm Drainage	<u>233,700</u>
Total Business-Type Activities	<u><u>\$794,255</u></u>

NOTE 8 – LONG TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

Proprietary Fund (Enterprise) long-term debt is accounted for in the proprietary funds, which will repay the debt because these funds are accounted for on the full-accrual basis in a similar manner to commercial operations.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – LONG TERM DEBT (Continued)

A. Current Year Transactions and Balances

	Balance June 30, 2014	Retirements	Balance as of June 30, 2015	
			Due Within One Year	Due Beyond One Year
GOVERNMENTAL ACTIVITY DEBT				
Capital Lease				
2011 Lease Purchase Financing - Fire Truck				
4.75%	\$398,407	\$398,407		
2008 Seagrave Marauder II Fire Truck				
4.16%, due 2019	257,076	53,083	\$55,316	\$148,677
Total Governmental Activity Debt	655,483	451,490	55,316	148,677
BUSINESS-TYPE ACTIVITY DEBT				
2001 Sewer Revenue Bonds				
4.375%-5.00%, due serially to 2032	5,625,000	205,000	215,000	5,205,000
2006 Sewer Revenue Bonds				
4.00%-4.375%, due serially to 2036	6,400,000	180,000	190,000	6,030,000
2009A Sewer Treatment Facility Revenue Bonds				
3.00%-5.00%, due serially to 2042	8,185,000	165,000	165,000	7,855,000
Total Business-Type Activity Debt	20,210,000	550,000	570,000	19,090,000
Total Long-Term Obligations	\$20,865,483	\$1,001,490	\$625,316	\$19,238,677

B. Summary of Debt Issues

On December 5, 2001 the Authority issued \$7,500,000 principal amount of **Sewer Revenue Bonds, Series 2001**. Proceeds were used to rehabilitate and improve the City's sanitary sewer system. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from sewer service charges net of operating and maintenance expenses.

On February 15, 2006 the Authority issued \$7,500,000 principal amount of **Sewer Revenue Bonds, Series 2006**. Proceeds will be used to expand and improve the City's sanitary sewer system. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from sewer service charges net of operating and maintenance expenses.

The pledge of future Sewer Fund Revenues ends upon repayment of \$17,470,801 in remaining debt service on the 2001 and 2006 Sewer Bonds which is scheduled to occur in 2036. For fiscal year 2015, Sewer Fund Revenues, excluding sewer treatment facility revenue, including operating revenues and non-operating interest earnings amounted to \$8,812,985 and operating costs including operating expenses, but not interest, depreciation or amortizations and amounted to \$5,305,223. Net Revenues available for debt service amounted to \$3,507,762 which represented coverage of 380% over the \$922,995 in debt service.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – LONG TERM DEBT (Continued)

On December 30, 2009 the Authority issued \$8,500,000 principal amount of **Sewer Treatment Facility Revenue Bonds, Series 2009A**. Proceeds will be used to finance certain improvements to the Silicon Valley Clean Water's sewer treatment facility. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is payable solely from Sewer Treatment Facility Revenues.

The pledge of future Sewer Treatment Facility charges ends upon repayment of \$13,876,807 in remaining debt service on the Bonds which is scheduled to occur in 2042. For fiscal year 2015, Sewer Facility Revenues amounted to \$3,109,099. Net Revenue available for debt service amounted to \$3,109,000 which represented coverage of 615% over the \$505,207 in debt service.

C. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$55,316	\$7,917	\$570,000	\$856,402
2017	57,641	5,591	590,000	833,637
2018	60,062	3,169	615,000	809,676
2019	30,974	644	635,000	784,652
2020			655,000	758,758
2021 - 2025			3,780,000	3,347,926
2026 - 2030			4,725,000	2,416,198
2031 - 2035			4,480,000	1,306,143
2036 - 2040			2,585,000	522,966
2041 - 2042			1,025,000	51,250
Total	<u>\$203,993</u>	<u>\$17,321</u>	<u>\$19,660,000</u>	<u>\$11,687,608</u>

D. 2011 Lease Purchase Financing – Fire Truck

On February 22, 2011, the District acquired the Ladder Truck for \$1,188,438 and financed the purchase with \$655,500 in federal awards and \$532,938 in proceeds from a ten year lease the District signed with a third party. The District paid off the remaining balance of the lease in the amount of \$398,407 in October 2014.

E. 2008 Seagrave Fire truck

During fiscal 2012, due to the dissolution of Belmont-San Carlos Fire Department, the Belmont Fire Protection District assumed the remaining obligation of the lease.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 8 – LONG TERM DEBT (Continued)

F. Special Assessment Debt with no City Commitment

On February 4, 2004, the Community Facilities District No. 2000-1 issued Special Tax Bonds, Series 2004A for \$8,650,000 to finance the construction, operations and maintenance of a new library. The City has no legal or moral liability with respect to the payment of this debt, which is secured by proceeds of an annual special tax levy received by the District. Therefore, this debt is not included in Governmental Activities long-term debt of the City. As of June 30, 2015, the outstanding balance was \$6,605,000.

Pursuant to the terms of the underlying indenture for the Special Tax Bonds, the Trustee holds a Surety Bond issued by AMBAC Assurance Corporation as a debt service reserve for the Bonds. During fiscal 2010-11, AMBAC declared bankruptcy. As of the date of this report, the Trustee had not requested and the District had not obtained a replacement surety bond.

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows, if any, over all its liabilities and deferred inflows, if any, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed. Through a Council Resolution, the City council has designated the City Manager to determine the amount of assigned fund balances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2015, are below:

Fund Balance Classifications	General Fund	Belmont Fire Protection District	Affordable Housing Successor Agency	Other Governmental Funds	Total
Nonspendables:					
Items not in spendable form:					
Advances	\$322,291				\$322,291
Prepays	509,924				509,924
Land held for resale	298,748				298,748
Total Nonspendable Fund Balances	1,130,963				1,130,963
Restricted for:					
Transportation				\$1,437,482	1,437,482
Belmont Fire Protection District		\$4,812,203			4,812,203
Special Revenue Programs				1,577,103	1,577,103
Capital Projects				937,218	937,218
Special Assessment District				295,999	295,999
Affordable Housing Activities			\$4,039,705		4,039,705
Total Restricted Fund Balances		4,812,203	4,039,705	4,247,802	13,099,710
Committed to:					
Special Revenue Programs				5,644	5,644
Total Committed Fund Balances				5,644	5,644
Assigned to:					
Benefit Prefunding	1,250,000				1,250,000
Emergency Repair Reserve	849,915				849,915
General Plan Update	227,709				227,709
Capital Projects				2,111,573	2,111,573
Total Assigned Fund Balances	2,327,624			2,111,573	4,439,197
Unassigned	5,590,065			(146,538)	5,443,527
Total Fund Balances	\$9,048,652	\$4,812,203	\$4,039,705	\$6,218,481	\$24,119,041

C. Minimum Fund Balance Policies

The City Council has established a policy with adoption of the annual budget that the General Fund fund balance should be maintained at a target of 33% of operating expenditures with a \$5,000,000 minimum. In addition, the City Council has established a \$50,000 Contingency appropriation which may be used to pay for an emergency or an uncertain occurrence. The use of contingency funds requires City Council approval. As of June 30, 2015, the City is in compliance with its minimum fund balance policies.

D. Funds with Negative Fund Balance

At June 30, 2015, the following funds had a negative fund balance: Development Services Special Revenue Fund \$146,538, Liability Insurance Internal Service Fund \$53,997 and BFPD Benefit Prefunding Internal Service Fund \$663. The City expects the negative fund balances to be remedied with future revenues.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

E. Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 Restatement

For the fiscal year ended June 30, 2015, the City implemented the provisions of GASB No. 68 and 71 – *Accounting and Financial Reporting for Pensions*. Accordingly, beginning net positions of the Sewer Enterprise Fund was reduced by \$1,467,181; the Storm Drainage Enterprise Fund was reduced by \$1,027,027; and the Solid Waste Enterprise Fund was reduced by \$293,437. The Governmental activities net position was reduced by \$25,774,061. These reductions reflect the recording of net pension liabilities, deferred inflows of resources and deferred outflows of resources as required under the new GASBs.

NOTE 10 – PENSION PLANS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plans

Plan Descriptions – All qualified employees are eligible to participate in the City's following cost-sharing multiple-employer defined benefit pension plans (Plans):

- City Miscellaneous (Tier 1)
- City Miscellaneous (Tier 2)
- City Safety (Tier 1)
- City Safety (Tier 2)
- District Safety (Tier 1)
- District Safety (Tier 3)

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<i>City Miscellaneous Plan</i>		
	<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
Hire date	Prior to January 1, 2012	On or after January 1, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.43% to 2.42%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.0%	6.5%
Required employer contribution rates	15.57%	11.51%	6.5%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

<i>City Safety Plan</i>			<i>District Safety Plan</i>	
<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>	<i>Tier 1</i>	<i>Tier 3</i>
Prior to January 1, 2012	On or after January 1, 2012	On or after January 1, 2013	Prior to January 1, 2012	On or after January 1, 2013
3% @ 50	3% @ 55	2.7% @ 57	3% @ 55	2.7% @ 57
5 years service	5 years service	5 years service	5 years service	5 years service
monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
50 - 55	50 - 55	50 - 57	50 - 55	50 - 55
3%	2.4% to 3%	2.0% to 2.7%	2.4% to 3%	2.0% to 2.7%
9.0%	9.0%	11.5%	9.0%	11.5%
41.36%	18.37%	11.5%	21.37%	11.5%

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	City Safety Plan	
	Tier 1	Tier 2
Contributions - employer	\$1,028,968	\$58,458
Contributions - employee (paid by employer)	300,815	38,193

	City Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
Contributions - employer	\$1,096,006	\$36,082	\$27,253
Contributions - employee (paid by employer)	523,938	36,082	27,253

	District Safety Plan	
	Tier 1	
Contributions - employer	\$541,242	
Contributions - employee (paid by employer)	237,130	

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
City Safety Plan- Tier 1	\$11,982,594
City Safety Plan- Tier 2	7,366
City Miscellaneous Plan- Tier 1	12,745,310
City Miscellaneous Plan- Tier 2	9
City Miscellaneous Plan- Tier 3	1,400
District Safety Plan Tier 1	329,992
Total Net Pension Liability	<u>\$25,066,671</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

City Safety Plan			
	Tier 1	Tier 2	
Proportion - June 30, 2013	0.30%	0.00%	
Proportion - June 30, 2014	0.32%	0.00%	
Change - Increase (Decrease)	0.02%	0.00%	

City Miscellaneous Plan			
	Tier 1	Tier 2	Tier 3
Proportion - June 30, 2013	0.48%	0.00%	0.00%
Proportion - June 30, 2014	0.52%	0.00%	0.00%
Change - Increase (Decrease)	0.04%	0.00%	0.00%

District Safety Plan	
Proportion - June 30, 2013	0.01%
Proportion - June 30, 2014	0.01%
Change - Increase (Decrease)	0.00%

For the year ended June 30, 2015, the City recognized pension expense of \$2,522,428. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,763,380	\$0
Differences between actual and expected experience	0	0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	(5,680,417)
Adjustments due to differences in proportion	50,312	(387,355)
Total	<u>\$2,813,692</u>	<u>(\$6,067,772)</u>

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

\$2,763,380 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2015	(\$1,540,477)
2016	(1,540,477)
2017	(1,516,404)
2018	(1,420,102)

Actuarial Assumptions – For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans (4)
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPers Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

(4) All of the City's plans for miscellaneous and safety, and the District's plan's employed the same assumptions

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	City Safety Plan	
	Tier 1	Tier 2
1% Decrease	6.50%	6.50%
Net Pension Liability	\$18,487,397	\$12,677
Current Discount Rate	7.50%	7.50%
Net Pension Liability	\$11,982,594	\$7,366
1% Increase	8.50%	8.50%
Net Pension Liability	\$6,622,919	\$2,991

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLANS (Continued)

	City Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$20,341,249	\$15	\$2,495
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$12,745,310	\$9	\$1,400
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$6,441,402	\$3	\$492
	District Safety Plan		
1% Decrease	6.50%		
Net Pension Liability	\$567,873		
Current Discount Rate	7.50%		
Net Pension Liability	\$329,992		
1% Increase	8.50%		
Net Pension Liability	\$133,988		

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

During fiscal year 2009, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB).

By resolution and through agreements with its labor units, the City and District provide certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. The City and District participate in the CalPERS health care plan, a single employer plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:

Eligibility	<p>Service or Disability Retirement from the City</p> <p>- Age and service requirements:</p> <p>AFSCME</p> <p>- 50 & 10 hired before 7/1/1985</p> <p>- 50 & 12 hired after 7/1/1985</p> <p>- 50 & 5 hired after 8/1/2012</p> <p>BPOA</p> <p>- 50 & 12 hired before 10/11/2011</p> <p>- 50 & 12 hired after 10/11/2011</p> <p>MMCEA & Unrepresented</p> <p>- 50 & 12 hired before 10/01/12</p> <p>- 50 & 5 hired after 10/1/2012</p> <p>Service or Disability Retirement from Belmont Fire Protection District</p> <p>- 50 & 5</p>						
Benefit	<p>Service Retirement:</p> <p>- Retire before 7/1/2001 - Single premium for retiree selected plan</p> <p>- Retire after 7/1/2001 - Receive a benefit which, when added to the CalPERS Minimum Employer Contribution, brings the total up to the lesser of the Bay Area single premium rate for the medical plan selected by the retiree and the Bay Area Kaiser single rate.</p> <p>- Hired after 10/11/2011, 8/1/2012, 10/1/2012 - Contribution to a retirement health savings account</p> <p>- Service eligibility requirement not met - Public Employees' Medical Hospital Care Act (PEMHCA) minimum only.</p> <p>Disability Retirement:</p> <p>- Miscellaneous Group - Same benefit as service retirement or PEMHCA if eligibility requirement not met.</p> <p>- BPOA - same benefit as service retirement but without the age or service requirement.</p> <p>Retirement for BFPD:</p> <p>- Retirement Health Savings Account (RHSA), with BFPD contributions for active employees based on years of service (RHSA not included)</p> <p>Transitioning to BFPD from BSCFD (or on active eligible list until 10/1/13):</p> <p>- Single premium up to the Kaiser Bay Area rate</p> <p>- In lieu of contributions to RHSA</p>						
Surviving Spouse Continuation	<p>City:</p> <p>- Public Employees Medical Hospital Care Act (PEMHCA) minimum only.</p> <p>District:</p> <p>- Based on CalPERS retirement election</p> <p>- PEMHCA Minimum</p> <p>- Unequal Method</p>						
Public Employees' Medical Hospital Care Act (PEMHCA) minimum	<p>CalPERS minimum employer contribution:</p> <table> <tr> <td><u>YEAR</u></td><td><u>PEMHCA Minimum</u></td></tr> <tr> <td>2015</td><td>\$122.00</td></tr> <tr> <td>2016+</td><td>Increase medical care component of CPI</td></tr> </table>	<u>YEAR</u>	<u>PEMHCA Minimum</u>	2015	\$122.00	2016+	Increase medical care component of CPI
<u>YEAR</u>	<u>PEMHCA Minimum</u>						
2015	\$122.00						
2016+	Increase medical care component of CPI						

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

As of June 30, 2015, approximately 76 City participants and 3 District participants were eligible to receive retiree benefits.

A. *Funding Policy and Actuarial Assumptions*

The annual required contribution (ARC) was determined as part of the April 1, 2014 actuarial valuation using the entry age normal actuarial cost method for both the City and the District. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.61% investment rate of return for the City and District, (b) 3.25% projected annual salary increase, (c) 6.0% increase per year for the City's normal cost and 5% increase per year for the District's normal cost, and (d) the following health inflation increases:

City and the District		
Year Beginning	Under 65	65 and Older
January 1, 2015	8.00%	8.30%
January 1, 2016	7.50%	7.80%
January 1, 2017	7.00%	7.20%
January 1, 2018	6.50%	6.70%
January 1, 2019	6.00%	6.10%
January 1, 2020	5.50%	5.60%
January 1, 2021 +	5.00%	5.00%

The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City and District's OPEB unfunded actuarial accrued liability are being amortized as a level percentage of projected payroll with a closed 27 year amortization period remaining.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

In accordance with the City and District budgets, the ARC is to be funded throughout the year as a percentage of payroll. During the year ended 2008, the City Council and, during the fiscal year ended 2012 the District passed resolutions to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of the City Council or Fire Board of Directors. These Trusts are not considered a component unit by the City or District and have been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

B. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2015, the City and District made contributions equal to the ARC, as shown below:

	City	District
Annual required contribution (ARC)		
and Annual OPEB cost	\$728,485	\$222,155
Contributions:		
Contributions to CERBT	(235,367)	(196,645)
Benefits Payment	(493,118)	(25,510)
Total contribution made:	(728,485)	(222,155)
(Decrease) increase in net OPEB obligations		
Net OPEB obligation (asset) June 30, 2014	_____	_____
Net OPEB obligation (asset) June 30, 2015	-	-

The City's Plan annual required contributions and actual contributions for the years ended June 30 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$840,000	\$840,000	100%	0
6/30/2014	867,000	867,000	100%	0
6/30/2015	728,485	728,485	100%	0

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

District's annual required contribution and actual contributions for the years ended June 30 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$200,000	\$200,000	100%	\$0
6/30/2014	204,000	204,000	100%	0
6/30/2015	222,155	222,155	100%	0

C. *Deferred Compensation Plans*

City/District employees may defer a portion of their compensation under City/District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The City/District has no liability for any losses incurred by the Plans and do not participate in any gains, but do have the duty of due care that would be required of an ordinary prudent investor. The City/District have contracts with various Administrators to manage and invest the assets of the Plans. The administrators pool the assets of the Plans with those of other participants and do not make separate investments for the City/District. The assets in the Plans are the sole property of the participants or their beneficiaries. Since the assets held under these plans are not the City's /Districts property and are not subject to claims by general creditors of the City/District, they have been excluded from these financial statements. The Plans require investments to be stated at fair market value and it requires all gains and losses on Plans investments to accrue directly to Participants accounts.

NOTE 12 – RISK MANAGEMENT

A. *Liability Coverage*

The City purchases commercial insurance against general liability with coverage of \$25,000,000 per occurrence above the City's \$250,000 self-insured retention. The City has automotive liability with coverage of \$3,091,952 above the City's self-insured retention of \$1,000 and \$5,000 and property coverage at the replacement value of the property with a limit of \$1,000,000,000 above the City's deductible of \$10,000. The City also purchases pollution insurance against general liability with coverage of \$10,000,000 per occurrence and up to \$50,000,000 in aggregate above the City's deductible of \$100,000.

The District purchases commercial insurance against general liability with coverage of \$1,000,000 per occurrence and up to \$2,000,000 in aggregate. The District has automotive liability with coverage of \$1,000,000 above the deductible of \$1,000.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 12 – RISK MANAGEMENT (Continued)

B. Workers Compensation Coverage

Effective December 1, 2004 the City purchased insurance for workers compensation through CSAC Excess Insurance Authority with coverage up to statutory limits. This policy also covers the District as of October 1, 2011. Prior to that date the City purchased commercial insurance for workers compensation coverage up to statutory limits. The City had no deductible for these losses.

C. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Workers' Compensation and General Liability Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

For the years ended June 30, 2015, 2014 and 2013 the amount of settlements did not exceed insurance coverage.

The City's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by management based on prior year's claims experience as follows:

	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>
Balance, July 1	\$822,076	\$765,797	\$308,892
Net change in claims liabilities	(963)	307,608	1,148,687
Claims paid	<u>(155,447)</u>	<u>(251,329)</u>	<u>(691,782)</u>
Balance, June 30	<u>\$665,666</u>	<u>\$822,076</u>	<u>\$765,797</u>

D. Claims Liability due to BFI Waste Systems of North America, Inc. Settlement Agreement

On November 8, 2011, BFI Waste Systems of North America, Inc. (Allied) filed a claim with the City alleging that the City owes BFI for a balancing account shortfall of \$1,018,812 plus interest. The claim was based on a ten year solid waste collection franchise agreement between the City and BFI that expired in 2010. On March 14, 2013 the Settlement Agreement was reached and the City agreed to pay Allied a settlement payment of \$1,018,000 plus interest at the rate of 4.25% per annum. As of June 30, 2015, the balance was repaid.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 13 – JOINT VENTURES

The City participates in the joint ventures discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City generally does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

A. *Equity interests*

The City has recorded its equity interest in the follow joint venture:

Silicon Valley Clean Water Joint Powers Authority (SVCW), formerly known as South Bayside System Authority, was formed in 1975 between the Cities of San Carlos, Belmont and Redwood City and the West Bay Sanitary District to operate a wastewater treatment facility. The cost of operating and maintaining the facility is divided in proportion to the volume of sewage entering from each member entity. The City's contribution toward the cost of operating and maintaining the facility during the year ended, June 30, 2015 was \$2,729,108. In addition, during fiscal year 2008-09, the SVCW and its members authorized the commencement of a major renovation and replacement project to its infrastructure wastewater facility. In conjunction with that project the City is obligated to fund its share of project costs. Financial statements may be obtained by mailing a request to the Silicon Valley Clean Water, 1400 Radio Road, Redwood City, CA 94065.

The City has an equity interest in the assets of SVCW, which has been recorded as Investment in SVCW in the Sewer Enterprise Fund based on the latest audited financial statement of SVCW as of June 30, 2014.

B. *Jointly Governed Organizations*

The City also participates in the following jointly governed organizations under which it is obligated to fund annual operating costs, but there is no ongoing equity interest in the assets of the organizations:

City/County Association of Governments of San Mateo County (C/CAG) was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use, hazardous waste and county-wide housing element. The City's contribution to C/CAG was \$89,957 for the year ended June 30, 2015. Financial statements may be obtained by mailing a request to the City of San Carlos, 666 Elm Street, San Carlos, CA 94070.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 13 – JOINT VENTURES (Continued)

Peninsula Traffic Congestion Relief Agency was formed by the cities of San Mateo County and San Mateo County to attempt to mitigate traffic congestion. The Agency is funded through a Countywide sales tax levied for transportation systems improvements.

Belmont-San Carlos Fire Department was formed in 1979 between the City of San Carlos and Belmont Fire Protection District on an equal basis to provide more efficient fire protection services. Any assets used by the Department but owned by the member agencies prior to the creation of the Department remain the property of the members.

On September 30, 2011, the Department terminated providing services to the Members. As a result, the Department's employees were laid off, its capital assets were distributed to the Members and certain lease obligations were assumed by the Members. Subsequent to that date, the Department operates in an inactive mode, collecting Member contributions to fund legacy costs, such as pension and retiree medical obligations and claims payable, remaining after service termination. As required under the Agreement, these legacy costs are funded through contributions from Members according to the average of annual funding formulas used to determine Member contributions.

South Bayside Waste Management Authority (SBWMA) is a joint powers agreement formed on October 13, 1999. Members of the South Bayside Waste Management Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The Members are required by AB939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The South Bayside Waste Management Authority's purpose is to assist its members in meeting these requirements.

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act of 1984 as amended and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

A. *San Mateo County Animal Shelter*

Since 1951 cities in San Mateo County have contracted with the County to manage animal control field and sheltering services. The current shelter has been determined to be inadequate to meet current animal sheltering services. In May 2014, all the municipalities signed an agreement, effective September 9, 2014, to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest free lease agreement in the amount of \$20.2 million. The City's share of annual lease payment is based on a methodology of three year average of shelter use and percentage of population. The City's estimated annual lease payment is \$21,811. Payments commence after the new animal shelter facility is completed, and are due each July 1st.

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. *Redevelopment Dissolution*

Effective January 31, 2012, all Redevelopment Agencies were dissolved. Certain assets of the former Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining former Redevelopment Agency assets and liabilities were distributed to the Successor Agency.

ABx1 26 and AB1484 directed the State Controller to review the activities of all former redevelopment agencies and successor agencies to determine whether an asset transfer between a former redevelopment agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency.

In September 2014, the City, Successor Agency and the Department of Finance entered into a settlement agreement that required \$256,711 be turned over to the Successor Agency, and in turn, the Successor Agency had to remit the \$256,711 to the County of San Mateo for distribution of the Other Funds Due Diligence Review (OFDDR).

In November 2014, the State Controller completed its asset transfer review and required the City to remit \$76,689 to the Successor Agency. In September and November 2014, the funds were returned to the County of San Mateo from the City and the Successor Agency respectively.

The City, acting as the Successor Agency, prepared a Long Range Property Management Plan (LRPMP) in compliance with AB 1484. On February 12, 2015, the Successor Agency Oversight Board approved a LRPMP, which was submitted to the California Department of Finance (DOF). Following the submission of the LRPMP to DOF, the Successor Agency identified additional information which necessitated revising the LRPMP previously submitted. On May 28, 2015, the Successor Agency Oversight Board approved a revised LRPMP, which was submitted to the DOF. As of June 30, 2015, the DOF has not completed its review of the LRPMP.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

B. Long Range Property Management Plan Approval

On September 4, 2015 the Successor Agency received confirmation from the California Department of Finance it completed its review of the Successor Agency's Long Range Property Management Plan (LRPMP). The LRPMP was approved.

C. Capital Assets

Activity of the Successor Agency's Capital Assets is presented below:

	Balance June 30, 2014	Additions	Balance June 30, 2015
Capital assets being depreciated:			
Improvements other than buildings	\$2,470,649		\$2,470,649
Total capital assets being depreciated	2,470,649		2,470,649
Less accumulated depreciation for:			
Improvements other than buildings	526,345	\$98,826	625,171
Total accumulated depreciation	526,345	98,826	625,171
Total depreciable assets	\$1,944,304	(\$98,826)	\$1,845,478

D. Long-Term Debt

1. Current Year Transactions and Balances

The Successor Agency assumed the long-term obligations of the former Redevelopment Agency as of February 2012. The debt issues and transactions are summarized below.

	Balance June 30, 2014	Additions	Retirements	Balance as of June 30, 2015 Due Within One Year	Due Beyond One Year
Redevelopment Long-Term Bonds Payable:					
1996 Series Housing Set-Aside Bonds, 7.55%-7.75%, due serially to 2017	\$830,000		\$830,000		
1999 Series A Refunding Bonds, 5.00%-5.85%, due serially to 2030	8,330,000		8,330,000		
1999 Series B Subordinated Bonds, 5.00%-5.85%, due serially to 2030	6,445,000		6,445,000		
2014 Series A Refunding Bonds, 2.22%-3.41%, due serially to 2030		\$7,375,000		\$845,000	\$6,530,000
2014 Series B Subordinated Bonds, 2.33%-3.89%, due serially to 2030		3,050,000		280,000	2,770,000
Total	\$15,605,000	\$10,425,000	\$15,605,000	\$1,125,000	\$9,300,000

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

2. Summary of Debt Issues

On April 1, 1996, the former Redevelopment Agency issued \$3,265,000 principal amount of Los Costanos Community Development Project Area Housing Set-Aside Tax Allocation Bonds (Taxable), Series 1996. Proceeds from the Bonds were used to increase, improve and preserve low and moderate income housing in the project area. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from incremental property tax revenues required to be set aside to fund low and moderate income housing projects. The pledge of future incremental property tax revenues ends upon repayment of the \$620,531 in remaining debt service on the Bonds scheduled to occur in 2017. The Los Costanos Community Development Project Area Housing Set-Aside Tax Allocation Bonds (Taxable), Series 1996 were refunded by the Subordinate Tax Allocation Refunding Bonds, Series 2014B in August 2014.

Prior to February 1, 2012, tax increment revenues were used to fund debt service on the Bonds. As the result of the dissolution of the former Redevelopment Agency pursuant to state law, the Successor Agency assumed the Bonds and receives payments from the County's Redevelopment Property Tax Trust Fund (CRPTTF) to pay debt services and fund other activities of the former Redevelopment Agency.

On December 1, 1999, the former Redevelopment Agency approved the issuance of \$15,490,000 and \$8,725,000 principal amounts of Los Costanos Community Development Project Senior Tax Allocation Refunding, Series 1999A and Subordinated Tax Allocation Bonds, Series 1999B. Proceeds from the 1999A Bonds were used to repay the Note Payable to the City and advance refund the Subordinated Tax Allocation Bonds, Series 1994A and 1992A (Prior Bonds). Series 1999A proceeds along with funds remaining from the Prior Bonds were used to acquire US government securities, which were placed in irrevocable trusts to be used to repay all future debt service on the Prior Bonds. The Prior Bonds are considered defeased and have been removed, along with the trusts, from the financial statements.

Proceeds from the Series 1999B Bonds were to be used to finance various redevelopment projects. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1. Debt service on the 1999A bonds is repayable from incremental property tax revenues, net of low and moderate income housing set-asides required by State law. The 1999B Bonds are subordinated to the Agency's obligation to pay debt service on the 1999A Bonds and certain pass-through amounts owed to other government agencies. The pledge of future incremental property tax revenues ends upon repayment of \$19,331,818 for Series 1999A and Series 1999B Bonds in remaining debt service which is scheduled to occur in 2030. The Los Costanos Community Development Project Senior Tax Allocation Refunding, Series 1999A and Subordinated Tax Allocation Bonds, Series 1999B bonds were refunded by Senior Tax Allocation Refunding Bonds, Series 2014A and Subordinate Tax Allocation Refunding Bonds, Series 2014B in August 2014.

CITY OF BELMONT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES (Continued)

On August 19, 2014, the Successor Agency issued the \$7,375,000 Series 2014A Senior Tax Allocation Refunding Bonds to facilitate a current refunding of the outstanding 1999A Bonds; and the \$3,050,000 Series 2014AB Subordinate Tax Allocation Refunding Bonds to facilitate a current refunding of both outstanding 1999B Bonds and 1996 Housing Set-Aside Bonds. The pledge of future incremental tax revenue ends upon repayment of \$12,622,877 for Series 2014A and Series 2014B Bonds in remaining debt service which is scheduled to occur in 2030. The refunding resulted in an overall debt service savings of \$7,576,515. The net present value of the debt service savings is called an economic gain and amounted to \$1,444,319.

3. Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30:	Principal	Interest
2016	\$1,125,000	\$347,079
2017	1,160,000	307,056
2018	1,050,000	268,552
2019	695,000	238,235
2020	720,000	213,518
2021 - 2025	3,995,000	665,497
2026 - 2030	1,680,000	157,940
Total	<u>\$10,425,000</u>	<u>\$2,197,877</u>

NOTE 16 – SUBSEQUENT EVENTS

A. Intent to Issue Bonds

In August 2015, the City Council approved a reimbursement agreement stating the intent to issue Sewer bonds. However an authorization to issue bonds was not provided.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Plan's Proportionate Share of Net Pension Liability and Related Ratios as of Measurement Date

	City Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	6/30/2014	6/30/2014	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.20483%	0.00000%	0.00002%
Plan's proportion share of the Net Pension Liability (Asset)	\$12,745,310	\$9	\$1,400
Plan's Covered Employee Payroll	\$7,698,126	\$132,871	\$368,516
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	165.56%	0.01%	0.38%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.74%	82.00%	83.03%

	City Safety Plan	
	Tier 1	Tier 2
	6/30/2014	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.19257%	0.00000%
Plan's proportion share of the Net Pension Liability (Asset)	\$11,982,594	\$9
Plan's Covered Employee Payroll	\$3,001,015	\$132,871
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	399.28%	0.01%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.33%	82.00%

	District Safety Plan
	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	0.00530%
Plan's proportion share of the Net Pension Liability (Asset)	\$329,992
Plan's Covered Employee Payroll	\$2,809,164
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	11.75%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTARY INFORMATION

Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Contributions

	City Miscellaneous Plan		
	Tier 1	Tier 2	Tier 3
	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution	\$1,102,127	\$13,028	\$22,138
Contributions in relation to the actuarially determined contributions	<u>(1,096,007)</u>	<u>(36,082)</u>	<u>(27,253)</u>
Contribution deficiency (excess)	<u>\$6,120</u>	<u>(\$23,054)</u>	<u>(\$5,115)</u>
Covered-employee payroll	\$7,698,126	\$132,871	\$368,516
Contributions as a percentage of covered-employee payroll	14.24%	27.16%	7.40%
Notes to Schedule			
Valuation date:	6/30/2013	6/30/2013	6/30/2013

	City Safety Plan	
	Tier 1	Tier 2
	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution	\$1,075,634	\$ 49,377
Contributions in relation to the actuarially determined contributions	<u>(1,028,968)</u>	<u>(58,458)</u>
Contribution deficiency (excess)	<u>\$46,666</u>	<u>(\$9,081)</u>
Covered-employee payroll	\$3,001,015	\$ 165,896
Contributions as a percentage of covered-employee payroll	34.29%	35.24%
Notes to Schedule		
Valuation date:	6/30/2013	6/30/2013

REQUIRED SUPPLEMENTARY INFORMATION

Cost-Sharing Multiple-Employer Defined Pension Plan – Last 10 Years*
Schedule of Contributions

	District Safety Plan <u>Fiscal Year 2013-2014</u>
Actuarially determined contribution	\$553,680
Contributions in relation to the actuarially determined contributions	<u>(541,242)</u>
Contribution deficiency (excess)	<u><u>\$12,438</u></u>
 Covered-employee payroll	 \$2,809,164
 Contributions as a percentage of covered- employee payroll	 19.27%

Notes to Schedule

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
	3.3% to 14.2%, depending on
	Age, Service and type of
Salary increases	employment
	7.5%, net of pension plan
	investment expense, including
Investment rate of return	inflation
Retirement age	59 yrs. Misc., 54 yrs. Safety
	The probabilities of mortality are
	derived from CalPERS' Membership
	Data for all Funds based on
	CalPERS' specific data from a 2014
	CalPERS Experience Study. The table
	includes 20 years of mortality
	improvements using the Society of
Mortality	Actuaries Scale BB.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress
City Other Post Employment Benefits

(in thousands)

Actuarial Valuation Date	Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Overfunded (Unfunded) AAL (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Unfunded) AAL as Percentage of Covered Payroll [(A – B)/C]
6/30/2011	6/30/2012	\$2,150	\$9,625	(7,475)	22.34%	\$11,011	-67.9%
4/1/2014	6/30/2014	2,774	9,637	(6,863)	28.78%	10,291	-66.7%
4/1/2014	6/30/2015	3,298	10,275	(6,977)	32.10%	10,031	-69.6%

Schedule of Funding Progress
District Other Post Employment Benefits

(in thousands)

Actuarial Valuation Date	Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Overfunded (Unfunded) AAL (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Unfunded) AAL as Percentage of Covered Payroll [(A – B)/C]
10/1/2011	6/30/2011	\$0	\$0	\$0	0.0%	\$2,346	0.0%
4/1/2014	6/30/2014	366	403	(37)	90.8%	2,401	-1.5%
4/1/2014	6/30/2015	597	622	(25)	96.0%	2,401	-1.0%

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SUPPLEMENTAL INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation – To account for certain recreation programs where a large portion of the expenditures are financed by user fees.

Library Maintenance and Operations – To account for funds restricted for the maintenance and operations of the library, which is financed by parcel tax and special tax revenue.

City Trees – To account for the removal of trees required for the development of property, which is financed by user fees.

Development Services - To account for resources received from current planning and building inspection fees and permits, and activities related to the General Plan Update which are financed by user fees.

Supplemental Law Enforcement Services – To account for resources received from the State of California to be spent on front line law enforcement needs.

Public Safety – To account for grants and donations committed to the Police Department’s activities.

Street Maintenance State Gasoline Tax – To account for gas tax resources restricted for expenditure on streets.

Street Improvements Measure A Grants – To account for the City’s portion of the special half cent sales tax receipts restricted for street expenditures and other street related grants.

Athletic Field Maintenance – To account for athletic field maintenance and operations, which are financed by player registration fees.

CAPITAL PROJECTS FUNDS

General Facilities – To account for the construction and maintenance of improvements to general-use City facilities.

Comcast – To account for the purchase and installation of hardware within City Hall to broadcast events to Pen TV, our Public Education Government Channel.

Planned Park – To account for the acquisition and improvement of parks, playgrounds, and recreation facilities.

Special Assessment District – To account for maintenance and improvement costs within City’s Special Assessment District boundaries. Resources represent funds remaining after the retirement of Special Assessment Debt.

Open Space – To account for the accumulation of resources for the acquisition, preservation, and improvements of open space.

CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

	SPECIAL REVENUE FUNDS				
	Recreation	Library Maintenance and Operations	City Trees	Development Services	Supplemental Law Enforcement Services
ASSETS					
Cash and investments	\$144,746	\$1,019,169	\$435,213	\$274,553	
Receivables:					
Accounts		3,469		60	\$12,821
Due from other governmental agencies					
Total Assets	<u>\$144,746</u>	<u>\$1,022,638</u>	<u>\$435,213</u>	<u>\$274,613</u>	<u>\$12,821</u>
LIABILITIES					
Accounts payable, and other liabilities / contracts payable	\$91,540	\$64,414	\$4,462	\$98,860	
Deposits	53,206				
Due to other funds (Note 4B)					\$12,821
Advance from other funds (Note 4C)				322,291	
Total Liabilities	<u>144,746</u>	<u>64,414</u>	<u>4,462</u>	<u>421,151</u>	<u>12,821</u>
FUND BALANCES					
Restricted		958,224	430,751		
Committed					
Assigned					
Unassigned				(146,538)	
Total Fund Balances	<u></u>	<u>958,224</u>	<u>430,751</u>	<u>(146,538)</u>	<u></u>
Total Liabilities and Fund Balances	<u>\$144,746</u>	<u>\$1,022,638</u>	<u>\$435,213</u>	<u>\$274,613</u>	<u>\$12,821</u>

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
Public Safety	Street Maintenance State Gasoline Tax	Street Improvements Measure A Grants	Athletic Field Maintenance	General Facilities	Comcast
\$5,644		\$1,383,792	\$190,295	\$2,041,834	\$351,199
	\$11,673				
	60,467	87,642			
<u>\$5,644</u>	<u>\$72,140</u>	<u>\$1,471,434</u>	<u>\$190,295</u>	<u>\$2,041,834</u>	<u>\$351,199</u>
	\$23,750	\$33,952	\$2,167	\$231,702	
	48,390				
	72,140	33,952	2,167	231,702	
		1,437,482	188,128		\$351,199
\$5,644				1,810,132	
<u>5,644</u>		<u>1,437,482</u>	<u>188,128</u>	<u>1,810,132</u>	<u>351,199</u>
<u>\$5,644</u>	<u>\$72,140</u>	<u>\$1,471,434</u>	<u>\$190,295</u>	<u>\$2,041,834</u>	<u>\$351,199</u>

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015

	CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
	Planned Park	Special Assessment District	Open Space	
ASSETS				
Cash and investments	\$615,767	\$295,999	\$304,955	\$7,063,166
Receivables:				
Accounts	2,138			30,161
Due from other governmental agencies				148,109
Total Assets	<u>\$617,905</u>	<u>\$295,999</u>	<u>\$304,955</u>	<u>\$7,241,436</u>
LIABILITIES				
Accounts payable, and other liabilities / contracts payable	\$31,886		\$3,514	\$586,247
Deposits				53,206
Due to other funds (Note 4B)				61,211
Advance from other funds (Note 4C)				322,291
Total Liabilities	<u>31,886</u>		<u>3,514</u>	<u>1,022,955</u>
FUND BALANCES				
Restricted	586,019	\$295,999		4,247,802
Committed				5,644
Assigned			301,441	2,111,573
Unassigned				(146,538)
Total Fund Balances	<u>586,019</u>	<u>295,999</u>	<u>301,441</u>	<u>6,218,481</u>
Total Liabilities and Fund Balances	<u>\$617,905</u>	<u>\$295,999</u>	<u>\$304,955</u>	<u>\$7,241,436</u>

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS				
	Recreation	Library Maintenance and Operations	City Trees	Development Services	Supplemental Law Enforcement Services
REVENUES					
Taxes		\$297,107			
Licenses and permits				\$956,564	
Use of money and property	\$13	438	\$204	273	
Intergovernmental	40,022				\$100,000
Charges for current services	1,769,932		148,270	1,539,994	
Miscellaneous	13,569	1,002	1,850	3,786	
Total Revenues	1,823,536	298,547	150,324	2,500,617	100,000
EXPENDITURES					
Current:					
Public safety					142,980
Highways and streets				504,676	
Culture and recreation	2,241,004	293,327	49,918		
Urban redevelopment				2,339,868	
Capital outlay		201,480			
Debt service:					
Interest and fiscal charges				1,499	
Total Expenditures	2,241,004	494,807	49,918	2,846,043	142,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(417,468)	(196,260)	100,406	(345,426)	(42,980)
OTHER FINANCING SOURCES (USES)					
Transfers in	417,468	201,480	19,000	99,785	42,980
Transfers (out)					
Total Other Financing Sources (Uses)	417,468	201,480	19,000	99,785	42,980
NET CHANGE IN FUND BALANCES		5,220	119,406	(245,641)	
BEGINNING FUND BALANCES		953,004	311,345	99,103	
ENDING FUND BALANCES		\$958,224	\$430,751	(\$146,538)	

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
Public Safety	Street Maintenance State Gasoline Tax	Street Improvements Measure A Grants	Athletic Field Maintenance	General Facilities	Comcast
	\$841,826	\$645,327			
\$2	3	575	\$91	\$621	
		411,980			\$173
	473,341		75,555		
1,737	1,671	43,500			
1,739	1,316,841	1,101,382	75,646	621	173
1,031	1,691,046		43,350		
		1,211,228		261,738	
1,031	1,691,046	1,211,228	43,350	261,738	
708	(374,205)	(109,846)	32,296	(261,117)	173
	374,205	355,680 (348,705)		1,202,103	
	374,205	6,975		1,202,103	
708		(102,871)	32,296	940,986	173
4,936		1,540,353	155,832	869,146	351,026
\$5,644		\$1,437,482	\$188,128	\$1,810,132	\$351,199

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CITY OF BELMONT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
	Planned Park	Special Assessment District	Open Space	
REVENUES				
Taxes				\$1,784,260
Licenses and permits				956,564
Use of money and property	\$283	\$146	\$157	2,806
Intergovernmental				552,175
Charges for current services	285,807			4,292,899
Miscellaneous				67,115
Total Revenues	286,090	146	157	7,655,819
EXPENDITURES				
Current:				
Public safety				144,011
Highways and streets				2,195,722
Culture and recreation			42,912	2,670,511
Urban redevelopment				2,339,868
Capital outlay	62,522			1,736,968
Debt service:				
Interest and fiscal charges				1,499
Total Expenditures	62,522		42,912	9,088,579
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	223,568	146	(42,755)	(1,432,760)
OTHER FINANCING SOURCES (USES)				
Transfers in	48,000			2,760,701
Transfers (out)				(348,705)
Total Other Financing Sources (Uses)	48,000			2,411,996
NET CHANGE IN FUND BALANCES	271,568	146	(42,755)	979,236
BEGINNING FUND BALANCES	314,451	295,853	344,196	5,239,245
ENDING FUND BALANCES	\$586,019	\$295,999	\$301,441	\$6,218,481

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS					
	RECREATION			LIBRARY MAINTENANCE AND OPERATIONS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$297,031	\$297,107	\$76
Licenses and permits						
Use of money and property		\$13	\$13	449	438	(11)
Intergovernmental	\$44,000	40,022	(3,978)			
Charges for current services	1,662,374	1,769,932	107,558			
Miscellaneous	14,900	13,569	(1,331)		1,002	1,002
Total Revenues	1,721,274	1,823,536	102,262	297,480	298,547	1,067
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation	2,255,324	2,241,004	14,320	330,044	293,327	36,717
Urban redevelopment						
Capital outlay:				201,480	201,480	
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,255,324	2,241,004	14,320	531,524	494,807	36,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(534,050)	(417,468)	116,582	(234,044)	(196,260)	37,784
OTHER FINANCING SOURCES (USES)						
Transfers in	521,369	417,468	(103,901)	201,480	201,480	
Transfers (out)						
Total Other Financing Sources (Uses)	521,369	417,468	(103,901)	201,480	201,480	
NET CHANGE IN FUND BALANCES	<u>(\$12,681)</u>		<u>\$12,681</u>	<u>(\$32,564)</u>	5,220	<u>\$37,784</u>
BEGINNING FUND BALANCES					953,004	
ENDING FUND BALANCES					<u>\$958,224</u>	

SPECIAL REVENUE FUNDS								
CITY TREES			DEVELOPMENT SERVICES			SUPPLEMENTAL LAW ENFORCEMENT SERVICES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$121	\$204	\$83	\$883,888 31	\$956,564 273	\$72,676 242	\$100,000	\$100,000	
119,000	148,270 1,850	29,270 1,850	1,548,705	1,539,994 3,786	(8,711) 3,786			
119,121	150,324	31,203	2,432,624	2,500,617	67,993	100,000	100,000	
						140,159	142,980	(\$2,821)
65,000	49,918	15,082	530,074	504,676	25,398			
			3,462,463	2,339,868	1,122,595			
				1,499	(1,499)			
65,000	49,918	15,082	3,992,537	2,846,043	1,146,494	140,159	142,980	(2,821)
54,121	100,406	46,285	(1,559,913)	(345,426)	1,214,487	(40,159)	(42,980)	(2,821)
19,000	19,000		855,427	99,785	(755,642)	40,160	42,980	2,820
19,000	19,000		855,427	99,785	(755,642)	40,160	42,980	2,820
\$73,121	119,406	\$46,285	(\$704,486)	(245,641)	\$458,845	\$1		(\$1)
	311,345			99,103				
	\$430,751			(\$146,538)				

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS					
	PUBLIC SAFETY			STREET MAINTENANCE STATE GASOLINE TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes				\$730,209	\$841,826	\$111,617
Licenses and permits						
Use of money and property	\$3	\$2	(\$1)		3	3
Intergovernmental						
Charges for current services				517,713	473,341	(44,372)
Miscellaneous	650	1,737	1,087	18,500	1,671	(16,829)
Total Revenues	653	1,739	1,086	1,266,422	1,316,841	50,419
EXPENDITURES						
Current						
Public safety	2,500	1,031	1,469			
Highways and streets				1,980,530	1,691,046	289,484
Culture and recreation						
Urban redevelopment						
Capital outlay:						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	2,500	1,031	1,469	1,980,530	1,691,046	289,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,847)	708	2,555	(714,108)	(374,205)	339,903
OTHER FINANCING SOURCES (USES)						
Transfers in				682,173	374,205	(307,968)
Transfers (out)						
Total Other Financing Sources (Uses)				682,173	374,205	(307,968)
NET CHANGE IN FUND BALANCES	(\$1,847)	708	\$2,555	(\$31,935)		\$31,935
BEGINNING FUND BALANCES		4,936				
ENDING FUND BALANCES		\$5,644				

SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUNDS		
STREET IMPROVEMENTS MEASURE A GRANTS			ATHLETIC FIELD MAINTENANCE			GENERAL FACILITIES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$708,412	\$645,327	(\$63,085)						
550	575	25	\$64	\$91	\$27	\$157	\$621	\$464
1,587,181	411,980	(1,175,201)	70,000	75,555	5,555			
43,500	43,500							
2,339,643	1,101,382	(1,238,261)	70,064	75,646	5,582	157	621	464
			40,000	43,350	(3,350)			
3,404,722	1,211,228	2,193,494	52,920		52,920	592,931	261,738	331,193
3,404,722	1,211,228	2,193,494	92,920	43,350	49,570	592,931	261,738	331,193
(1,065,079)	(109,846)	955,233	(22,856)	32,296	55,152	(592,774)	(261,117)	331,657
355,680	355,680					1,202,103	1,202,103	
(656,673)	(348,705)	307,968						
(300,993)	6,975	307,968				1,202,103	1,202,103	
#####	(102,871)	\$1,263,201	(\$22,856)	32,296	\$55,152	\$609,329	940,986	\$331,657
	1,540,353			155,832			869,146	
	\$1,437,482			\$188,128			\$1,810,132	

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CITY OF BELMONT
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECT FUNDS					
	COMCAST			PLANNED PARK		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Licenses and permits						
Use of money and property				\$157	\$283	\$126
Intergovernmental	\$171	\$173	\$2			
Charges for current services				286,000	285,807	(193)
Miscellaneous						
Total Revenues	<u>171</u>	<u>173</u>	<u>2</u>	<u>286,157</u>	<u>286,090</u>	<u>(67)</u>
EXPENDITURES						
Current						
Public safety						
Highways and streets						
Culture and recreation						
Urban redevelopment						
Capital outlay:	18,000		18,000	361,553	62,522	299,031
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	<u>18,000</u>		<u>18,000</u>	<u>361,553</u>	<u>62,522</u>	<u>299,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(17,829)</u>	<u>173</u>	<u>18,002</u>	<u>(75,396)</u>	<u>223,568</u>	<u>298,964</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				48,000	48,000	
Transfers (out)						
Total Other Financing Sources (Uses)				<u>48,000</u>	<u>48,000</u>	
NET CHANGE IN FUND BALANCES	<u>(\$17,829)</u>	<u>173</u>	<u>\$18,002</u>	<u>(\$27,396)</u>	<u>271,568</u>	<u>\$298,964</u>
BEGINNING FUND BALANCES		<u>351,026</u>			<u>314,451</u>	
ENDING FUND BALANCES		<u>\$351,199</u>			<u>\$586,019</u>	

CAPITAL PROJECT FUNDS

SPECIAL ASSESSMENT DISTRICT			OPEN SPACE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$188	\$146	(\$42)		\$157	\$157
188	146	(42)		157	157
			\$65,656	42,912	22,744
			65,656	42,912	22,744
188	146	(42)	(65,656)	(42,755)	22,901
\$188	146	(\$42)	(\$65,656)	(42,755)	\$22,901
	295,853			344,196	
	\$295,999			\$301,441	

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Workers' Compensation – To account for the City's and District's workers' compensation insurance program.

Liability Insurance – To account for coverage on the City's and District's general and automobile liability.

Self-Funded Vision – To account for the City's vision reimbursement plan for its employees.

Benefit Prefunding – To account for certain accrued employee benefits.

Fleet and Equipment Management – To account for the interdepartmental services provided by the Fleet Management division and Information Technology division.

Facilities Management – To account for the interdepartmental services provided by the Facilities Management Division.

BFPD Benefit Prefunding – To account for certain accrued employee benefits for the Belmont Fire Protection District.

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015

	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Self-Funded Vision</u>	<u>Benefit Prefunding</u>	<u>Fleet and Equipment Management</u>
ASSETS					
Cash and investments	\$709,415	\$401,624	\$21,240	\$103,932	\$1,624,016
Accounts receivable					2,955
Prepays and other assets					11,201
Depreciable capital assets, net					776,581
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>709,415</u>	<u>401,624</u>	<u>21,240</u>	<u>103,932</u>	<u>2,414,753</u>
LIABILITIES					
Accounts payable		43,827	21,240		72,964
Due to other funds					
Claims payable					
Current portion	60,000	411,794			
Due in more than one year	193,872				
Compensated absences					
Due in more than one year					96,155
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>253,872</u>	<u>455,621</u>	<u>21,240</u>		<u>169,119</u>
NET POSITION					
Net investment in capital assets					776,581
Unrestricted	455,543	(53,997)		103,932	1,469,053
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$455,543</u>	<u>(\$53,997)</u>	<u></u>	<u>\$103,932</u>	<u>\$2,245,634</u>

Facilities Management	BFPD Benefit Prefunding	Total
\$86,629		\$2,946,856
5,194		8,149
		11,201
		776,581
91,823		3,742,787
58,273		196,304
	663	663
		471,794
		193,872
33,550		129,705
91,823	663	992,338
		776,581
	(663)	1,973,868
	(\$663)	\$2,750,449

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Prefunding	Fleet and Equipment Management
OPERATING REVENUES					
Interdepartmental charges for services	\$1,066,252	\$425,950	\$28,258	\$871,265	\$2,471,819
Total Operating Revenues	1,066,252	425,950	28,258	871,265	2,471,819
OPERATING EXPENSES					
Insurance premiums	721,352	177,035			
Professional and legal	4,989	236,488	2,876	38,883	591,910
Operating costs					1,432,842
Other post employment benefits				728,485	
Insurance claims, net of change in claims payable	(31,376)	186,823	28,168		
Depreciation					326,193
Total Operating Expenses	694,965	600,346	31,044	767,368	2,350,945
Operating Income (Loss)	371,287	(174,396)	(2,786)	103,897	120,874
NONOPERATING REVENUES (EXPENSES)					
Gain on sale of capital assets					6,060
Use of money and property	169	159	7	35	771
Miscellaneous		17,761			766
Total Nonoperating Revenues (Expenses)	169	17,920	7	35	7,597
Income (Loss) Before Transfers	371,456	(156,476)	(2,779)	103,932	128,471
Transfers in			2,779		
Change in Net Position	371,456	(156,476)		103,932	128,471
BEGINNING NET POSITION	84,087	102,479			2,117,163
ENDING NET POSITION	\$455,543	(\$53,997)		\$103,932	\$2,245,634

<u>Facilities Management</u>	<u>BFPD Benefit Prefunding</u>	<u>Total</u>
<u>\$1,011,756</u>	<u>\$212,868</u>	<u>\$6,088,168</u>
<u>1,011,756</u>	<u>212,868</u>	<u>6,088,168</u>
		898,387
163,752		1,038,898
1,363,083	7,194	2,803,119
	210,603	939,088
		183,615
		<u>326,193</u>
<u>1,526,835</u>	<u>217,797</u>	<u>6,189,300</u>
<u>(515,079)</u>	<u>(4,929)</u>	<u>(101,132)</u>
		6,060
421,293	15	422,449
<u>750</u>		<u>19,277</u>
<u>422,043</u>	<u>15</u>	<u>447,786</u>
(93,036)	(4,914)	346,654
<u>93,036</u>		<u>95,815</u>
	(4,914)	442,469
	<u>4,251</u>	<u>2,307,980</u>
	<u>(\$663)</u>	<u>\$2,750,449</u>

CITY OF BELMONT
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Benefit Prefunding	Fleet and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds	\$1,066,252	\$443,711	\$28,258	\$871,265	\$2,473,129
Payments to vendors	(726,341)	(376,834)	(2,876)	(38,883)	(941,382)
Payment to or on behalf of employees				(924,858)	(1,052,053)
Claims paid	(13,934)	(47,923)	(26,592)		
Cash Flows from Operating Activities	325,977	18,954	(1,210)	(92,476)	479,694
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			2,779		
Cash Flows from Noncapital Financing Activities			2,779		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets					(463,539)
Proceeds from sale of capital assets					6,060
Cash Flows from Capital and Related Financing Activities					(457,479)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	169	159	7	35	771
Cash Flows from Investing Activities	169	159	7	35	771
Net Cash Flows	326,146	19,113	1,576	(92,441)	22,986
Cash and investments at beginning of period	383,269	382,511	19,664	196,373	1,601,030
Cash and investments at end of period	\$709,415	\$401,624	\$21,240	\$103,932	\$1,624,016
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$371,287	(\$174,396)	(\$2,786)	\$103,897	\$120,874
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation					326,193
Miscellaneous revenues		17,761			766
Change in assets and liabilities:					
Accounts receivables					544
Prepays and other net assets					850
Accounts payable		36,689	1,576	(196,373)	15,991
Due to other funds					
Claims payable	(45,310)	138,900			
Compensated absences					14,476
Cash Flows from Operating Activities	\$325,977	\$18,954	(\$1,210)	(\$92,476)	\$479,694

Facilities Management	BFPD Benefit Prefunding	Total
\$1,011,584	\$113,060	\$6,007,259
(845,167)		(2,931,483)
(642,200)	(210,603)	(2,829,714)
		(88,449)
(475,783)	(97,543)	157,613
93,036		95,815
93,036		95,815
		(463,539)
		6,060
		(457,479)
421,293	15	422,449
421,293	15	422,449
38,546	(97,528)	218,398
48,083	97,528	2,728,458
\$86,629		\$2,946,856
(\$515,079)	(\$4,929)	(\$101,132)
		326,193
750		19,277
(922)		(378)
		850
37,937	(93,277)	(197,457)
	663	663
		93,590
1,531		16,007
(\$475,783)	(\$97,543)	\$157,613

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AGENCY FUNDS

Agency Funds are presented separately from the Government-wide and Fund financial statements.

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Section 125 Benefits Plan – To account for employee tax-free contributions and reinvestments for certain employee benefits established by the City under Section 125 of the Internal Revenue Code.

Library Community Facilities District – To account for payment of interest and principal on debt service of the District for the construction, maintenance and operations of the Library.

Net Six Joint Powers Authority – To account for the activities of the Net Six Joint Powers Authority, which maintains a consolidated fire and emergency dispatch system for its members in San Mateo County.

CITY OF BELMONT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Section 125 Benefit Plan</u>				
Assets:				
Cash and investments	\$18,530	\$11,840	\$18,530	\$11,840
Total Assets	<u>\$18,530</u>	<u>\$11,840</u>	<u>\$18,530</u>	<u>\$11,840</u>
Liabilities:				
Section 125 employee benefits payable	\$18,530	\$11,840	\$18,530	\$11,840
Total Liabilities	<u>\$18,530</u>	<u>\$11,840</u>	<u>\$18,530</u>	<u>\$11,840</u>
<u>Library Community Facilities District</u>				
Assets:				
Cash and investments	\$300,135	\$661,354	\$677,152	\$284,337
Taxes receivable		7,887		7,887
Total Assets	<u>\$300,135</u>	<u>\$669,241</u>	<u>\$677,152</u>	<u>\$292,224</u>
Liabilities:				
Due to bondholders	\$300,135	\$669,241	\$677,152	\$292,224
Total Liabilities	<u>\$300,135</u>	<u>\$669,241</u>	<u>\$677,152</u>	<u>\$292,224</u>
<u>Net Six</u>				
Assets:				
Cash and investments	\$387,059		\$112,186	\$274,873
Total Assets	<u>\$387,059</u>		<u>\$112,186</u>	<u>\$274,873</u>
Liabilities:				
Accounts payable	\$39,414	\$15,445	\$39,414	\$15,445
Due to other governments	347,645	(15,445)	72,772	259,428
Total Liabilities	<u>\$387,059</u>		<u>\$112,186</u>	<u>\$274,873</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$705,724	\$673,194	\$807,868	\$571,050
Taxes Receivable		7,887		\$7,887
Total Assets	<u>\$705,724</u>	<u>\$681,081</u>	<u>\$807,868</u>	<u>\$578,937</u>
Liabilities:				
Accounts payable	\$39,414	\$15,445	\$39,414	\$15,445
Section 125 employee benefits payable	18,530	11,840	18,530	11,840
Due to other governments	347,645	(15,445)	72,772	259,428
Due to bondholders	300,135	669,241	677,152	292,224
Total Liabilities	<u>\$705,724</u>	<u>\$681,081</u>	<u>\$807,868</u>	<u>\$578,937</u>

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City of Council
City of Belmont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Belmont, California as of and for the year ended June 30, 2015 have issued our report thereon dated September 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated September 25, 2015 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
September 25, 2015

**SUPPLEMENTAL FINANCIAL INFORMATION
REGARDING SUCCESSOR AGENCY ASSESSED VALUATIONS
(UNAUDITED)**

Assessed Valuations

The base year valuation for the Project Area was established in the fiscal year ending June 30, 1982. The following table shows historical incremental assessed valuation (including all categories of assessed value) within the Project Area as of the March 1 lien date for the fiscal years 1982-83 through 2014-2015. It should be noted that due to adjustments after the lien date, assessed value may increase or decrease during the year. Factors causing these adjustments include, but are not limited to, supplemental assessments and appeals to assessed value. These adjustments to assessed values, in turn, cause tax increment revenues to increase or decrease.

**CITY OF BELMONT SUCCESSOR AGENCY
(FORMERLY BELMONT REDEVELOPMENT AGENCY)
LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA
HISTORICAL INCREMENTAL ASSESSED VALUATION**

<u>Fiscal Year Ending June 30</u>	<u>Total Assessed Valuation (1)</u>	<u>Incremental Assessed Valuation (1)</u>	<u>Change in Incremental Assessed Valuation From Previous Year</u>
1983	\$157,135,342	\$21,536,072	not available
1984	171,237,981	35,638,711	65.48%
1985	184,060,881	62,564,250	75.55%
1986	201,153,514	65,554,244	4.78%
1987	234,842,064	99,242,794	51.39%
1988	246,823,012	111,223,742	12.07%
1989	254,810,733	119,211,463	7.18%
1990	275,154,532	139,555,262	17.07%
1991	313,264,539	177,665,269	27.31%
1992	349,801,313	214,202,043	20.56%
1993	376,194,509	240,595,239	12.32%
1994	389,900,944	254,301,674	5.70%
1995	397,847,297	262,248,027	3.12%
1996	420,827,405	285,228,135	8.76%
1997	441,467,705	305,868,435	7.24%
1998	483,248,340	347,649,070	13.66%
1999	508,606,319	373,007,049	7.29%
2000	551,190,752	415,591,482	11.42%
2001	628,703,301	493,104,031	18.65%
2002	703,196,659	567,597,389	15.11%
2003	736,172,756	600,573,486	5.81%
2004	763,224,908	627,625,638	4.50%
2005	793,262,313	657,663,043	4.79%
2006	828,369,282	692,770,012	5.34%
2007	882,997,061	747,397,791	7.89%
2008	925,665,178	790,065,908	5.71%
2009	1,001,611,395	866,012,125	9.61%
2010	1,021,824,923	886,225,653	2.33%
2011	979,692,227	844,092,957	-4.75%
2012	1,006,362,049	870,762,779	3.16%
2013	1,064,558,175	928,958,905	6.68%
2014	1,096,475,744	960,876,474	3.44%
2015	1,137,357,996	1,001,758,726	4.25%

Source: County of San Mateo

(1) Total assessed valuation in excess of the Agency's 1981-82 base year assessed valuation of \$135,599,270.

Historical Housing Set-Aside Amounts

The following table shows the historical allocation of tax increment revenues by the County of San Mateo derived from the project area.

CITY OF BELMONT SUCCESSOR AGENCY (FORMERLY BELMONT REDEVELOPMENT AGENCY) LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA HISTORICAL RECEIPT OF TAX INCREMENT AND TRUST FUND REVENUES

Fiscal Year Ending June 30	Secured Tax Increments (2)	Unsecured Tax Increment (2)	Unitary Revenue (3)	Supplemental Allocations (2)	Total Tax Increment (4)	Real Property Tax Trust Fund Allocations (6)	Total Tax	Housing Set Aside Amounts (5)	Change From Prior Year
1984					\$285,494		\$285,494	\$57,099	
1985					363,836		363,836	72,989	27.44%
1986	\$429,246	\$84,594		\$16,681	530,521		530,521	103,097	45.81%
1987	725,932	82,321		58,699	866,952		866,952	168,560	63.42%
1988	787,579	69,137		103,030	959,746		959,746	191,949	10.70%
1989	924,058	73,737		87,124	1,084,919		1,084,919	216,983	13.04%
1990	1,035,629	85,045	\$25,534	57,535	1,203,743		1,203,743	240,749	10.95%
1991	1,260,743	1,225,929	54,683	120,184	2,661,539		2,661,539	311,708	121.11%
1992	1,629,619	81,020	57,216	145,226	1,913,081		1,913,081	382,616	(28.12%)
1993	1,758,187	93,810	58,779	59,494	1,970,270		1,970,270	394,055	2.99%
1994	1,890,260	72,133	51,221	49,533	2,063,147		2,063,147	412,629	4.71%
1995	1,933,676	17,827	54,213	18,928	2,024,644		2,024,644	404,929	(1.87%)
1996	2,019,812	222,873	54,170	29,872	2,326,727		2,326,727	465,346	14.92%
1997	2,227,773	131,833	39,541	105,133	2,504,280		2,504,280	500,856	7.63%
1998	2,520,936	195,020	50,432	106,587	2,872,975		2,872,975	569,942	14.72%
1999	2,832,402	123,236	64,836	49,610	3,070,084		3,070,084	614,016	6.86%
2000	3,076,826	118,983	57,337	183,315	3,436,461		3,436,461	687,292	11.93%
2001	3,640,433	172,658	61,111	103,483	3,977,685		3,977,685	795,537	15.75%
2002	4,212,040	253,052	67,477	455,911	4,988,481		4,988,481	997,696	25.41%
2003	4,415,999	220,998	72,375	300,175	5,009,547		5,009,547	1,001,909	0.42%
2004	4,511,245	177,074	77,251	165,496	4,931,066		4,931,066	986,213	(1.57%)
2005	4,773,499	178,051	64,387	179,086	5,195,023		5,195,023	1,039,005	5.35%
2006	4,985,628	176,562	60,337	247,801	5,470,328		5,470,328	1,094,066	5.30%
2007	5,297,243	163,847	151,994	334,221	5,947,305		5,947,305	1,189,461	8.72%
2008	5,812,332	189,141	69,495	281,093	6,352,061		6,352,061	1,270,412	6.81%
2009	6,343,282	289,016	69,868	273,397	6,975,563		6,975,563	1,395,113	9.82%
2010	6,631,570	205,106	78,094	72,979	6,987,749		6,987,749	1,397,550	0.17%
2011	6,274,474	184,886	68,347	61,692	6,589,398		6,589,398	1,317,880	(5.70%)
2012	3,205,128	372,746	39,886		3,617,760	\$1,821,662	5,439,422		(17.45%)
2013						2,430,695	2,430,695		(55.31%)
2014						2,589,571	2,589,571		6.54%
2015						1,744,119	1,744,119		(32.65%)

(1) Amounts shown are net of amounts waived by the Agency under County Fiscal Agreement.

(2) Breakdown of tax increment amount secured, unsecured and supplemental categories not available for fiscal years ended June 30, 1984 through 1985.

(3) Unitary revenue reported separately starting in the fiscal year ended June 30, 1990.

(4) Total tax increment includes housing set-aside amounts. Under the RDA Dissolution Legislation, the Housing Set Aside was not required in FY 2012 and forward.

(5) This amount calculated as defined in the Fiscal Agreement.

(6) Tax Increment Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency has assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

Source: Belmont Successor Agency and County of San Mateo Controller's Office.

Debt Service Coverage

Housing Set-Aside Amounts in fiscal year 2014-2015 were \$0 pursuant to AB x1-26. See the table above entitled "Historical Receipt of Tax Incremental Revenues." Prior to July 1, 2011, tax increment revenues were used to fund debt service on the 1996 Housing Set-Aside Bonds. As a result of the dissolution of the Redevelopment Agency pursuant to state law, a Successor Agency assumed the debt and receives tax revenues used to pay debt service and fund other activities of the former Redevelopment Agency. Debt service repayments on these bonds are made by the Successor Agency from tax revenue.

Major Property Taxpayers

The ten largest assesses in the Project Area for fiscal 2014-2015 and the assessed valuation of their respective properties in the Project Area as reported by the County are provided in the following schedule. The total taxable value of these properties equals \$286,395,680 which represents approximately 26.03% percent of the Project Area's secured taxable valuation (including Unitary Assessed valuation).

**CITY OF BELMONT SUCCESSOR AGENCY
(FORMERLY BELMONT REDEVELOPMENT AGENCY)
LOS COSTANOS COMMUNITY DEVELOPMENT PROJECT AREA
TEN LARGEST SECURED PROPERTY TAX ASSESSES**

Assesse	Use	14 - 15 Taxable Value (2)	Percentage of Total Secured Taxable Value of Project Area (1)
1 HINES VAF II 600 CLIPPER L P	Office	\$ 53,575,372	4.87%
2 ORACLE CORPORATION	Office	47,819,063	4.35%
3 NIKON PRECISION INC	Office	45,841,100	4.17%
4 PRIME OLD COUNTY L P	Office	30,265,392	2.75%
5 ECI TWO BELMONT LLC	Office	22,148,215	2.01%
6 SRE CALIFORNIA-3 LLC	Auto Sales/Repair	21,030,156	1.91%
7 GRAND PRIX BELMONT LLC	Hotel	18,519,320	1.68%
8 NAZARETH VISTA LLC	Nursing, Convalescent Home	19,145,432	1.74%
9 BELMAR LESSEE	Hotel	15,749,275	1.43%
10 SAFEWAY	Supermarket	12,302,355	1.12%
Total		<u>\$ 286,395,680</u>	<u>26.03%</u>
Secured taxable value		<u>\$1,100,172,213</u>	

(1) The secured taxable value of the Project Area for fiscal year 2014-2015 is \$1,100,172,213.

Source: City of Belmont and County of San Mateo Assessor's Office.

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Statistical Section



STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage:
 - a. 2001 and 2006 Sewer Revenue Bonds
 - b. 2009A Sewer Treatment Facility Revenue Bonds
 - c. Former Redevelopment Agency Bonds
5. Continuing Disclosure Requirements:
 - a. Sewer System Summary Statement of Historical Revenue and Expenditures
 - b. Ten Largest Users of the Sewer System
 - c. Number of Sewer Service Users
 - d. Sewer Service Revenues by Class of User
 - e. Schedule of Budgeted and Projected Sewer Treatment Facility Charges and Associated Debt Service
 - f. Community Facilities District No. 2000-1

STATISTICAL SECTION (Continued)
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

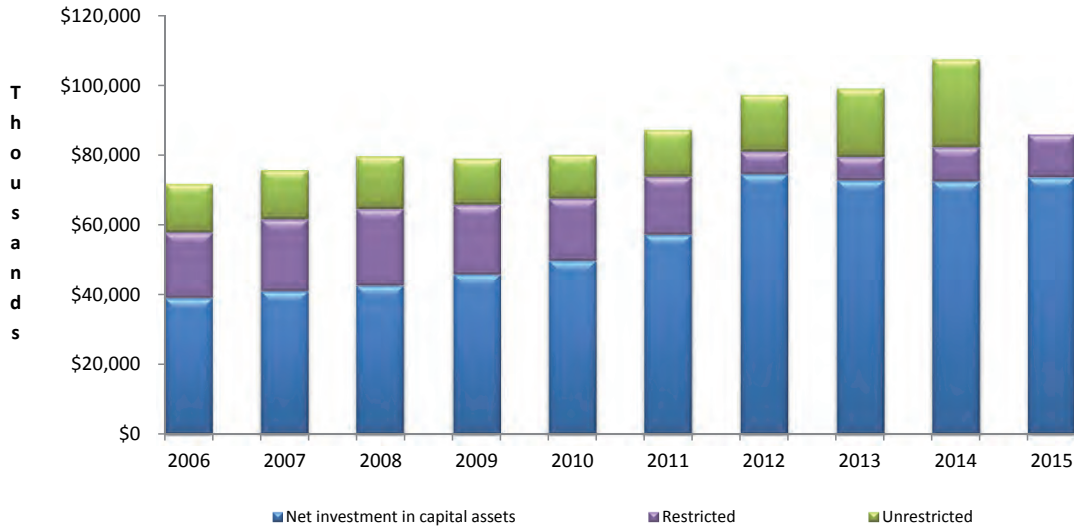
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**CITY OF BELMONT
NET POSITION BY COMPONENT**

**Last Ten Fiscal Years
(accrual basis of accounting)**



	As of June 30,				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	\$34,463,769	\$36,609,585	\$37,907,520	\$40,629,743	\$44,610,294
Restricted	18,786,081	20,578,294	21,900,387	19,967,386	17,775,049
Unrestricted	5,866,151	5,283,389	6,402,811	5,402,096	5,077,501
Total governmental activities	<u>\$59,116,001</u>	<u>\$62,471,268</u>	<u>\$66,210,718</u>	<u>\$65,999,225</u>	<u>\$67,462,844</u>
Business-type activities					
Net investment in capital assets	\$4,672,159	\$4,493,590	\$4,822,866	\$5,232,486	\$5,191,747
Unrestricted	8,129,224	8,887,596	8,791,485	7,897,583	7,537,206
Total business-type activities	<u>\$12,801,383</u>	<u>\$13,381,186</u>	<u>\$13,614,351</u>	<u>\$13,130,069</u>	<u>\$12,728,953</u>
Primary government					
Net investment in capital assets	\$39,135,928	\$41,103,175	\$42,730,386	\$45,862,229	\$49,802,041
Restricted	18,786,081	20,578,294	21,900,387	19,967,386	17,775,049
Unrestricted	13,995,375	14,170,985	15,194,296	13,299,679	12,614,707
Total primary government	<u>\$71,917,384</u>	<u>\$75,852,454</u>	<u>\$79,825,069</u>	<u>\$79,129,294</u>	<u>\$80,191,797</u>
	As of June 30,				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$51,099,928	\$68,597,826	\$67,417,898	\$66,107,787	\$65,328,759
Restricted	16,586,360	6,464,610	6,722,358	6,664,041	6,904,176
Unrestricted	6,901,035	10,854,350	11,312,129	13,628,786	(8,619,488)
Total governmental activities	<u>\$74,587,323</u>	<u>\$85,916,786</u>	<u>\$85,452,385</u>	<u>\$86,400,614</u>	<u>\$63,613,447</u>
Business-type activities					
Net investment in capital assets	\$6,162,922	\$5,985,860	\$5,418,984	\$6,447,043	\$8,424,614
Restricted		\$3,061,696	\$3,108,105	\$3,108,838	5,383,408
Unrestricted	6,641,129	5,460,139	8,317,276	11,627,962	8,634,126
Total business-type activities	<u>\$12,804,051</u>	<u>\$14,507,695</u>	<u>\$16,844,365</u>	<u>\$21,183,843</u>	<u>\$22,442,148</u>
Primary government					
Net investment in capital assets	\$57,262,850	\$74,583,686	\$72,836,882	\$72,554,830	\$73,753,373
Restricted	16,586,360	8,989,839	9,830,463	9,772,879	12,287,584
Unrestricted	13,542,164	16,850,956	19,629,405	25,256,748	14,638
Total primary government	<u>\$87,391,374</u>	<u>\$100,424,481</u>	<u>\$102,296,750</u>	<u>\$107,584,457</u>	<u>\$86,055,595</u>

**CITY OF BELMONT
CHANGES IN NET POSITION**

**Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	As of June 30,			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
General government	\$1,268,785	\$4,529,887	\$4,954,841	\$5,677,578
Public safety	12,640,829	14,273,000	14,070,190	15,261,129
Highways and streets	2,641,601	2,046,747	2,236,345	2,525,131
Culture and recreation	2,894,354	3,328,963	3,715,717	4,012,240
Urban redevelopment	2,223,524	5,720,001	6,277,898	7,957,410
Pass throughs and other	2,956,052			
Non-departmental		37,255	46,888	
Interest on long term debt	1,341,327	1,301,277	1,317,035	1,241,608
Total Governmental Activities Expenses	<u>25,966,472</u>	<u>31,237,130</u>	<u>32,618,914</u>	<u>36,675,096</u>
Business-Type Activities:				
Sewer	3,902,590	4,421,765	5,090,512	5,210,185
Storm drainage	1,095,985	1,209,652	1,092,906	1,145,322
Solid waste			326,776	385,663
Total Business-Type Activities Expenses	<u>4,998,575</u>	<u>5,631,417</u>	<u>6,510,194</u>	<u>6,741,170</u>
Total Primary Government Expenses	<u><u>\$30,965,047</u></u>	<u><u>\$36,868,547</u></u>	<u><u>\$39,129,108</u></u>	<u><u>\$43,416,266</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$2,731,358	\$3,204,003	\$3,773,489	\$4,201,215
Public Safety	143,354	233,635	155,870	122,956
Highways and streets	185,895	291,250	467,733	386,769
Culture and recreation	1,481,296	1,609,326	1,767,990	1,759,776
Urban redevelopment	1,826,902	1,831,487	1,686,285	1,517,498
Pass throughs and other	711,528			
Operating Grants and Contributions	1,605,329	1,803,961	2,246,203	1,421,649
Capital Grants and Contributions	<u>848,868</u>	<u>429,972</u>	<u>89,769</u>	<u>634,616</u>
Total Government Activities				
Program Revenues	<u>9,534,530</u>	<u>9,403,634</u>	<u>10,187,339</u>	<u>10,044,479</u>
Business-Type Activities:				
Charges for Services:				
Sewer	4,935,969	5,596,542	5,739,551	6,096,887
Storm drainage	407,138	501,067	495,071	469,194
Solid Waste	634,219	373,815	345,496	373,815
Operating Grants and Contributions				
Capital Grants and Contributions			16,949	15,332
Total Business-Type Activities				
Program Revenue	<u>5,977,326</u>	<u>6,471,424</u>	<u>6,597,067</u>	<u>6,955,228</u>
Total Primary Government				
Program Revenues	<u><u>\$15,511,856</u></u>	<u><u>\$15,875,058</u></u>	<u><u>\$16,784,406</u></u>	<u><u>\$16,999,707</u></u>
Net (Expense)/Revenue				
Governmental Activities	(\$16,431,942)	(\$21,833,496)	(\$22,431,575)	(\$26,630,617)
Business-Type Activities	978,751	840,007	86,873	214,058
Total Primary Government Net Expense	<u><u>(\$15,453,191)</u></u>	<u><u>(\$20,993,489)</u></u>	<u><u>(\$22,344,702)</u></u>	<u><u>(\$26,416,559)</u></u>

As of June 30,					
2010	2011	2012	2013	2014	2015
\$5,666,445	\$4,662,965	\$5,112,255	\$5,353,940	\$5,592,651	\$5,244,211
15,247,908	15,258,130	17,461,677	18,000,012	19,429,456	19,218,589
2,400,233	2,325,028	2,899,431	3,242,496	3,412,713	3,340,232
4,275,870	5,149,269	4,200,332	4,275,013	4,530,410	5,018,290
7,707,191	10,358,587	5,014,387	1,885,099	2,295,295	2,268,840
1,162,420	1,110,538	1,131,762	68,175	37,019	24,850
36,460,067	38,864,517	35,819,844	32,824,735	35,297,544	35,115,012
5,928,199	5,723,184	6,141,073	6,715,514	6,657,220	7,654,335
1,279,059	1,245,911	1,171,429	1,338,902	1,236,911	1,446,650
433,811	590,927	308,251	469,298	459,967	223,392
7,641,069	7,560,022	7,620,753	8,523,714	8,354,098	9,324,377
\$44,101,136	\$46,424,539	\$43,440,597	\$41,348,449	\$43,651,642	\$44,439,389
\$4,263,241	\$3,983,732	\$4,538,452	\$4,463,544	\$4,601,332	\$4,937,130
136,465	336,174	988,002	1,152,475	1,177,218	1,143,332
876,185	878,107	437,020	382,904	459,815	473,341
1,820,050	1,977,149	1,967,792	2,087,336	2,130,365	2,729,732
1,862,964	2,126,626	2,434,761	2,560,400	3,069,625	3,627,765
1,509,175	4,668,438	2,422,365	1,636,424	1,817,345	2,042,316
2,024,456	5,522,520	1,853,706	874,168	519,254	411,980
12,492,536	19,492,746	14,642,098	13,157,251	13,774,954	15,365,596
6,272,616	6,600,870	9,422,274	10,086,878	11,290,621	11,905,392
481,738	597,464	611,941	549,863	520,119	943,554
373,815	476,073	710,295	781,612	867,710	458,337
10,750					
11,734					
7,139,903	7,685,157	10,744,510	11,418,353	12,678,450	13,307,283
\$19,632,439	\$27,177,903	\$25,386,608	\$24,575,604	\$26,453,404	\$28,672,879
(\$23,967,531)	(\$19,371,771)	(\$21,177,746)	(\$19,371,771)	(\$21,522,590)	(\$19,749,416)
(501,166)	125,135	3,123,757	64,404	4,324,352	3,982,906
(\$24,468,697)	(\$19,246,636)	(\$18,053,989)	(\$19,307,367)	(\$17,198,238)	(\$15,766,510)

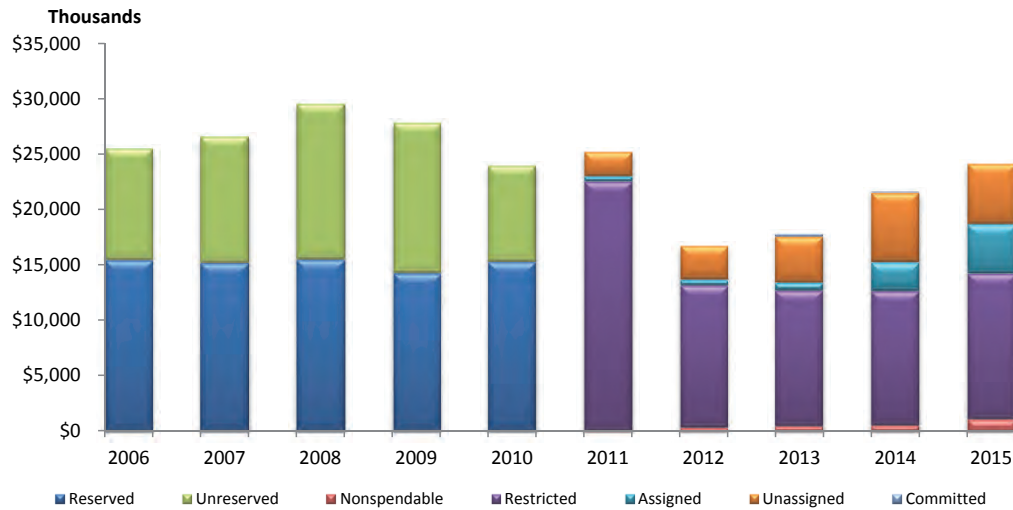
CITY OF BELMONT
CHANGES IN NET POSITION
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	As of June 30,			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$7,677,608	\$8,643,311	\$8,941,253	\$9,387,465
Incremental property tax	7,071,632	7,726,963	8,231,934	9,027,090
Sales taxes	2,796,354	3,191,162	3,136,339	2,988,491
Other taxes	2,260,882	2,219,057	2,456,236	1,183,901
Motor vehicle in lieu	2,254,703	1,874,436	1,918,321	1,994,403
Investment earnings	961,893	1,443,556	1,404,475	767,134
Miscellaneous/Gain on sale		90,278	82,467	45,595
Loss on disposal of capital assets				
Extraordinary items				
Total Government Activities	23,023,072	25,188,763	26,171,025	25,394,079
Business-Type Activities:				
Investment earnings	252,599	505,677	377,268	201,559
Transfers				
Total Business-Type Activities	252,599	505,677	377,268	201,559
Total Primary Government	\$23,275,671	\$25,694,440	\$26,548,293	\$25,595,638
Change in Net Position				
Governmental Activities	\$6,591,130	\$3,355,267	\$3,739,450	(\$1,236,538)
Business-Type Activities	1,231,350	1,345,684	464,141	415,617
Total Primary Government	\$7,822,480	\$4,700,951	\$4,203,591	(\$820,921)

As of June 30,					
2010	2011	2012	2013	2014	2015
9,456,013	\$9,620,923	\$10,439,407	\$10,918,478	\$11,864,792	\$13,134,287
9,010,978	8,601,933	4,681,674			
2,281,523	2,596,652	2,672,956	2,792,298	2,831,248	3,085,607
2,068,073	2,481,620	2,738,707	3,017,599	3,260,000	3,487,040
2,033,410	2,050,697	1,973,958	1,941,735	2,168,184	2,474,536
575,410	601,845	589,231	531,126	603,489	590,418
5,986	542,580	105	1,847	1,743,106	3,803
					(39,381)
		9,338,566			
25,431,393	26,496,250	32,434,604	19,203,083	22,470,819	22,736,310
19,003	10,694	19,315	9,971	15,126	17,275
			1,216		45,769
19,003	10,694	19,315	11,187	15,126	63,044
\$25,450,396	\$26,506,944	\$32,453,919	\$19,214,270	\$22,485,945	\$22,799,354
\$1,463,862	\$7,124,479	\$11,256,858	(\$168,688)	\$948,229	\$2,986,894
(482,163)	135,829	3,143,072	75,591	4,339,478	4,045,950
\$981,699	\$7,260,308	\$14,399,930	(\$93,097)	\$5,287,707	\$7,032,844

**CITY OF BELMONT
FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$157,607	\$182,815	\$201,954	\$156,803	\$167,189
Unreserved	3,386,516	3,928,771	4,186,397	3,547,610	2,161,740
Total General Fund	<u>\$3,544,123</u>	<u>\$4,111,586</u>	<u>\$4,388,351</u>	<u>\$3,704,413</u>	<u>\$2,328,929</u>
All Other Governmental Funds					
Reserved	\$15,319,292	\$15,038,707	\$15,325,514	\$14,150,876	\$15,118,528
Unreserved, reported in:					
Special revenue funds	2,148,360	2,572,617	3,636,626	4,343,278	5,383,453
Debt Service funds	32	32			
Capital project funds	4,549,478	4,931,481	6,239,183	5,682,318	1,136,979
Total all other governmental funds	<u>\$22,017,162</u>	<u>\$22,542,837</u>	<u>\$25,201,323</u>	<u>\$24,176,472</u>	<u>\$21,638,960</u>
	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
General Fund					
Reserved					
Unreserved					
Nonspendable	\$53,375	\$374,379	\$504,390	\$568,336	\$1,130,963
Restricted		132,495			
Assigned				1,377,103	2,327,624
Unassigned	3,764,669	4,577,830	5,696,079	6,258,460	5,590,065
Total General Fund	<u>\$3,818,044</u>	<u>\$5,084,704</u>	<u>\$6,200,469</u>	<u>\$8,203,899</u>	<u>\$9,048,652</u>
All Other Governmental Funds					
Reserved					
Unreserved, reported in:					
Special revenue funds					
Debt Service funds					
Capital project funds					
Restricted	\$22,470,226	\$12,670,731	\$12,218,243	\$12,090,398	\$13,099,710
Committed			\$258,684	\$104,039	\$5,644
Assigned	459,615	506,504	706,293	1,213,342	2,111,573
Unassigned	(1,552,557)	(1,509,215)	(1,550,397)		(146,538)
Total all other governmental funds	<u>\$21,377,284</u>	<u>\$11,668,020</u>	<u>\$11,632,823</u>	<u>\$13,407,779</u>	<u>\$15,070,389</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

(b) Effective fiscal 2010-11, the City implemented GASB 54 which changed fund balance reporting.

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CITY OF BELMONT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

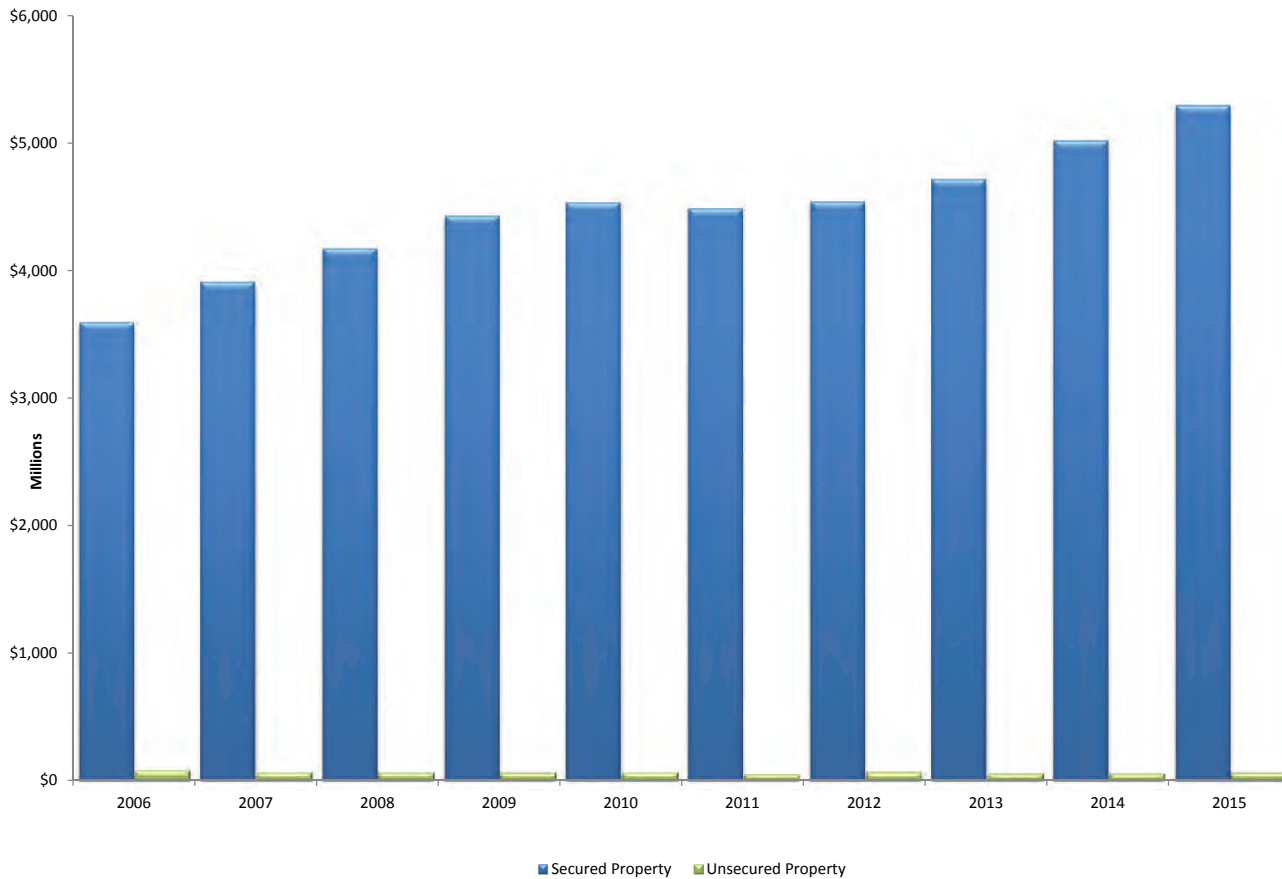
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Revenues				
Taxes	\$20,431,247	\$21,963,700	\$23,285,033	\$24,015,223
Licenses and permits	1,229,396	1,432,545	1,296,876	1,296,955
Fines and forfeitures	192,995	213,649	207,660	218,511
Use of money and property	998,381	1,409,605	1,281,420	702,711
Intergovernmental	4,405,907	4,390,388	4,444,376	4,198,134
Charges for current services	4,430,657	4,289,285	5,123,061	5,465,178
Miscellaneous	388,249	364,513	132,684	143,292
Total Revenues	32,076,832	34,063,685	35,771,110	36,040,004
Expenditures				
Current:				
General government	3,370,249	3,479,312	4,090,379	4,218,287
Public safety	12,783,687	14,457,394	13,745,815	14,739,794
Highways and streets	2,125,958	1,534,958	1,589,464	1,821,815
Culture and recreation	3,002,547	3,208,587	3,455,177	3,697,783
Urban redevelopment	2,088,600	5,742,209	6,201,146	7,767,199
Pass throughs and other	2,959,110			
Capital outlay	7,857,838	1,346,500	2,059,511	3,808,785
Debt service:				
Principal	841,608	824,318	864,026	900,000
Interest and fiscal charges	1,341,327	1,301,277	1,317,035	1,241,608
Total Expenditures	36,370,924	31,894,555	33,322,553	38,195,271
Excess (deficiency) of revenues over (under) expenditures	(4,294,092)	2,169,130	2,448,557	(2,155,267)
Other Financing Sources (Uses)				
Transfers in	4,421,738	2,180,531	3,030,121	1,574,020
Transfers (out)	(4,477,372)	(2,317,130)	(3,222,232)	(1,671,207)
Contributions/extraordinary item				
Proceeds from sale of capital assets				
Proceeds of debt issuance				
Total other financing sources (uses)	(55,634)	(136,599)	(192,111)	(97,187)
Net Change in fund balances	(\$4,349,726)	\$2,032,531	\$2,256,446	(\$2,252,454)
Debt service as a percentage of noncapital expenditures	8.3%	7.0%	7.0%	6.2%

Fiscal Year Ended June 30,					
2010	2011	2012	2013	2014	2015
\$23,551,448	\$24,078,694	\$21,103,658	\$17,464,202	\$18,781,620	\$20,592,362
1,333,536	1,409,968	1,599,765	1,443,249	1,665,790	1,846,367
189,187	397,841	411,116	513,511	298,584	210,470
483,653	434,131	439,248	394,871	420,581	585,120
5,580,333	11,811,178	6,426,997	4,569,617	4,594,173	5,098,802
6,233,038	6,773,004	6,621,335	6,780,019	7,466,219	8,517,414
149,981	151,098	685,537	788,182	835,735	868,303
37,521,176	45,055,914	37,287,656	31,953,651	34,062,702	37,718,838
4,338,325	3,738,652	3,910,215	4,001,340	3,967,090	4,219,915
15,016,366	14,973,374	16,284,197	17,261,172	18,527,071	19,146,371
1,742,021	1,676,044	1,818,655	2,053,990	1,843,701	2,195,722
4,038,979	4,885,875	3,864,383	3,949,834	4,162,256	4,817,387
7,512,659	10,245,438	4,402,467	1,817,983	1,949,465	2,522,957
6,569,057	9,591,505	3,722,422	1,245,112	1,425,306	1,736,968
955,000	1,005,000	1,192,547	213,581	97,907	451,490
1,162,420	1,110,538	1,131,762	68,175	37,019	24,850
41,334,827	47,226,426	36,326,648	30,611,187	32,009,815	35,115,660
(3,813,651)	(2,170,512)	961,008	1,342,464	2,052,887	2,603,178
1,795,891	4,771,786	1,873,574	1,512,645	1,458,800	2,859,034
(1,649,413)	(2,445,664)	(1,926,651)	(1,774,541)	(1,783,301)	(2,954,849)
	538,891	(9,025,535)		2,050,000	
	532,938				
146,478	3,397,951	(9,078,612)	(261,896)	1,725,499	(95,815)
(\$3,667,173)	\$1,227,439	(\$8,117,604)	\$1,080,568	\$3,778,386	\$2,507,363
6.0%	5.4%	7.0%	1.0%	0.4%	1.4%

**CITY OF BELMONT
ASSESSED VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years



Fiscal Year Ended June 30	Secured Property (a)		Unsecured Property		Total		Assessed to Estimated Actual Value	Increased From Prior Year	Total Direct Tax Rate (c)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (b)	Estimated Actual Value (b)			
2006	\$3,592,511,818	\$3,592,511,818	\$88,338,479	\$88,338,479	\$3,680,850,297	\$3,680,850,297	100%	8.59%	1%
2007	3,907,330,407	3,907,330,407	67,314,897	67,314,897	3,974,645,304	3,974,645,304	100%	7.98%	1%
2008	4,168,752,870	4,168,752,870	66,903,654	66,903,654	4,235,656,524	4,235,656,524	100%	6.57%	1%
2009	4,425,618,138	4,425,618,138	64,553,427	64,553,427	4,490,171,565	4,490,171,565	100%	12.97%	1%
2010	4,528,776,250	4,528,776,250	69,208,395	69,208,395	4,597,984,645	4,597,984,645	100%	15.68%	1%
2011	4,482,561,741	4,482,561,741	53,259,529	53,259,529	4,535,821,270	4,535,821,270	100%	1.02%	1%
2012	4,536,659,018	4,536,659,018	72,485,607	72,485,607	4,609,144,625	4,609,144,625	100%	0.24%	1%
2013	4,712,109,574	4,712,109,574	59,006,643	59,006,643	4,771,116,217	4,771,116,217	100%	5.19%	1%
2014	5,013,618,086	5,013,618,086	61,287,931	61,287,931	5,074,906,017	5,074,906,017	100%	6.37%	1%
2015	5,290,249,361	5,209,249,361	65,747,681	65,747,681	5,290,343,441	5,290,343,441	100%	4.25%	1%

SOURCES: SAN MATEO COUNTY CONTROLLER

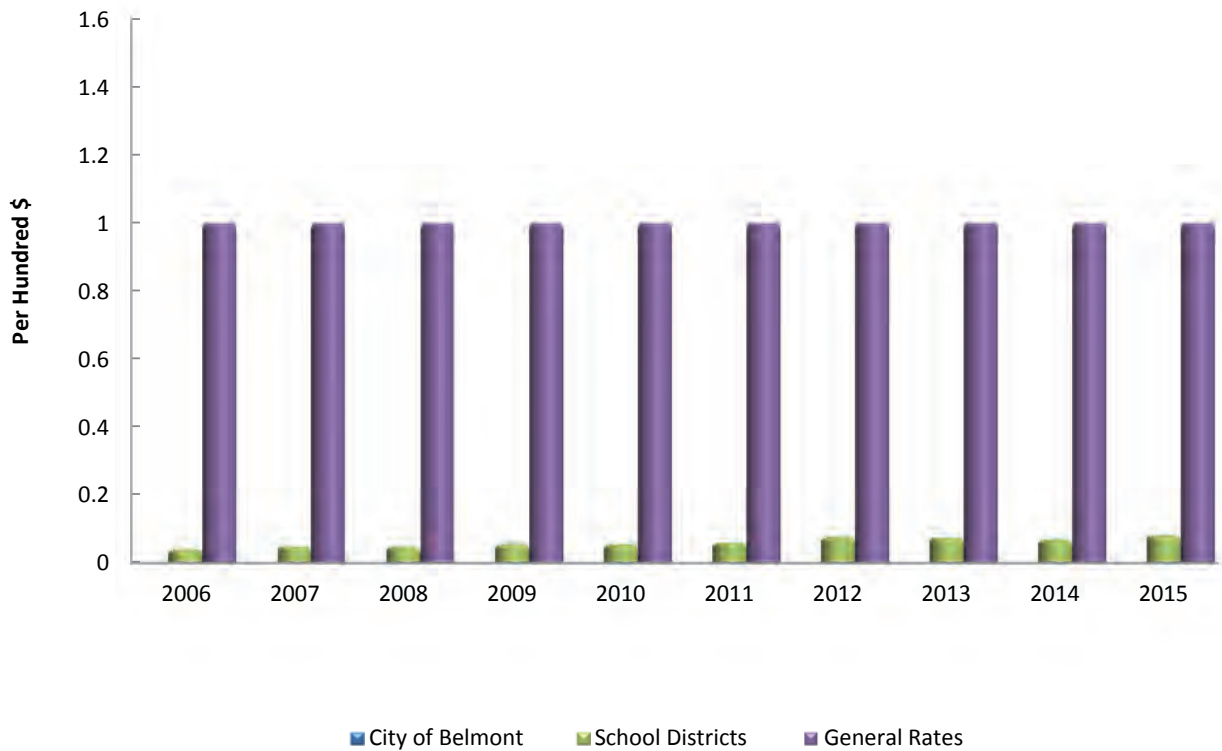
(a) Secured Property includes State Board Roll (Unitary tax)

(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Belmont encompasses more than 15 tax rate areas.

**CITY OF BELMONT
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Fiscal Years



Fiscal Year	City of Belmont	School Districts	General Rates	Total
2006	N/A	0.0395	1.0000	1.0395
2007	N/A	0.0485	1.0000	1.0485
2008	N/A	0.0463	1.0000	1.0463
2009	N/A	0.0531	1.0000	1.0531
2010	N/A	0.0542	1.0000	1.0542
2011	N/A	0.0596	1.0000	1.0596
2012	N/A	0.0754	1.0000	1.0754
2013	N/A	0.0747	1.0000	1.0747
2014	N/A	0.0690	1.0000	1.0690
2015	N/A	0.0805	1.0000	1.0805

Source: San Mateo County Controller - Rates are per \$100 of assessed value.

**CITY OF BELMONT
PRINCIPAL PROPERTY TAXPAYERS**

Prior Year and Ten Years Ago

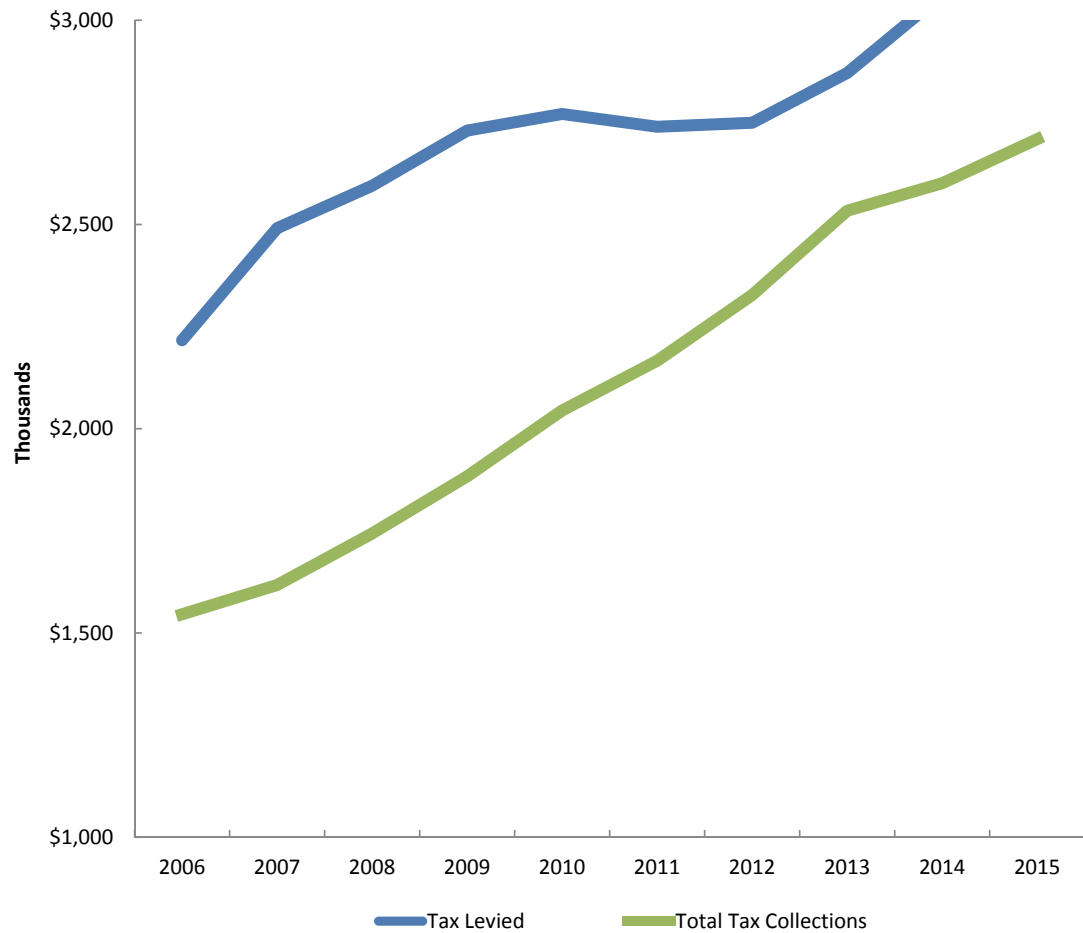
Taxpayer	2014-15			2004-05 (1)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hines VAF II 600 Clipper LP	\$53,575,372	1	1.01%			
Carlmont Woods II LLC	50,168,538	2	0.95%	\$40,133,371	2	1.18%
Oracle Corporation	47,819,063	3	0.90%	39,288,953	3	1.16%
Nikon Precision Inc.	45,841,100	4	0.87%			
Prime Old County LP	30,265,392	5	0.57%			
SSL Landlord LLC	27,050,252	6	0.51%			
ECI Two Belmont LLC	22,148,215	7	0.42%			
SRE California-3 LLC	21,030,156	8	0.40%			
Grand Prix Belmont LLC	18,519,320	9	0.35%			
Safeway	18,518,935	10	0.35%	17,333,582	7	0.51%
Nazareth Vista (formerly Paradigm Healthcare LP)				14,345,446	8	0.42%
1001 E Hillsdale LLC				42,214,307	1	1.25%
Six Hundred Clipper Drive LLC				29,300,000	4	0.86%
Innkeepers Summerfield General				22,175,190	5	0.65%
Davis Associates				21,750,528	6	0.64%
Balmar Lessee				13,578,917	9	0.40%
Sunrise Belmont Assisted Living				13,572,400	10	0.40%
Subtotal	<u>\$334,936,343</u>		<u>6.33%</u>	<u>\$253,692,694</u>		<u>7.48%</u>
Total Net Assessed Valuation:						
Fiscal Year 2014-15	\$5,290,249,361					
Fiscal Year 2004-05	\$3,389,644,468					

Source: County of San Mateo Assessor's Office Fiscal Year Combined Secured Tax Rolls.

(1) The Taxable Assessed Value for 2005-06 was not available from the County of San Mateo.

**CITY OF BELMONT
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years



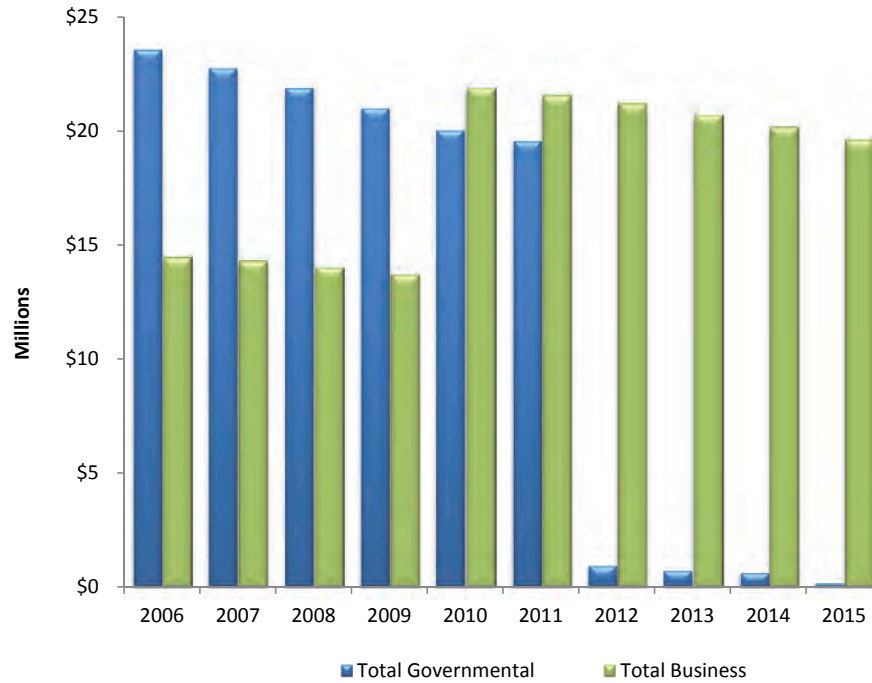
Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2006	\$2,216,590	\$2,166,309	97.73%	\$2,166,309	97.73%
2007	2,490,855	2,327,329	93.43%	2,327,329	93.43%
2008	2,594,562	2,533,629	97.65%	2,533,629	97.65%
2009	2,729,756	2,600,906	95.28%	2,600,906	95.28%
2010	2,770,546	2,708,778	97.77%	2,708,778	97.77%
2011	2,739,073	2,709,417	98.92%	2,709,417	98.92%
2012	2,748,894	2,687,885	97.78%	2,687,885	97.78%
2013	2,870,820	2,798,324	97.47%	2,798,324	97.47%
2014	3,062,643	3,018,311	98.55%	3,018,311	98.55%
2015	3,240,621	3,196,712	98.65%	3,196,712	98.65%

Source: (1) San Mateo County Controller.
(2) City of Belmont General Ledger

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.
(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

**CITY OF BELMONT
RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years



Governmental Activities			
Fiscal Year	Tax Allocation Bonds	Leases and Notes	Total
2006	\$23,485,000	\$128,225	\$23,613,225
2007	22,665,000	123,907	22,788,907
2008	21,805,000	119,881	21,924,881
2009	20,905,000	119,881	21,024,881
2010	19,950,000	119,881	20,069,881
2011	18,945,000	652,819	19,597,819
2012		966,971	966,971
2013		753,390	753,390
2014		655,483	655,483
2015		203,992	203,992

Business-Type Activities					
Fiscal Year	Sewer Revenue Bonds	Total	Total Primary Government	Percentage of Assessed Valuation (a)	Per Capita (a)
2006	\$14,490,000	\$14,490,000	\$38,103,225	1.04%	\$1,502.26
2007	14,340,000	14,340,000	37,128,907	0.93%	1,433.71
2008	14,040,000	14,040,000	35,964,881	0.85%	1,379.13
2009	13,735,000	13,735,000	34,759,881	0.77%	1,324.19
2010	21,920,000	21,920,000	41,989,881	0.91%	1,584.11
2011	21,595,000	21,595,000	41,192,819	0.91%	1,582.45
2012	21,250,000	21,250,000	22,216,971	0.48%	850.48
2013	20,740,000	20,740,000	21,493,390	0.45%	816.74
2014	20,210,000	20,210,000	20,865,483	0.41%	785.63
2015	19,660,000	19,660,000	19,863,992	0.38%	742.63

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Belmont
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)
(a) (Demographic Statistics) for assessed value and population data.

**CITY OF BELMONT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

June 30, 2015

2014-15 Assessed Valuation

\$5,290,249,361

	Total Debt June 30, 2015	% Applicable (1)	City's Share of Debt June 30, 2015
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			
City of Belmont	0	100.000%	0
City of Belmont Community Facilities District No. 2000-1	6,605,000	100.000%	6,605,000
Total Direct Debt	6,605,000		6,605,000
San Mateo Community College District	\$664,859,994	3.254%	\$21,634,544
Sequoia Union High School District	433,505,000	7.839%	33,982,457
Belmont-Redwood Shores School District	69,193,600	47.080%	32,576,347
Belmont-Redwood Shores School District Belmont School Facilities Improvement District	34,941,421	83.480%	29,169,098
Belmont-Redwood Shores School District Redwood Shores School Facilities Improvement District	22,780,000	6.251%	1,423,978
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$1,231,885,015		\$125,391,424
OVERLAPPING GENERAL FUND DEBT:			
San Mateo County General Fund Obligations	\$460,064,816	3.254%	\$14,970,509
San Mateo County Board of Education Certificates of Participation	10,430,000	3.254%	339,392
TOTAL OVERLAPPING GENERAL FUND DEBT	\$470,494,816		\$15,309,901
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$14,365,000	100.000%	\$14,365,000
COMBINED TOTAL DEBT			\$155,066,325 (2)

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the porting of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

RATIOS TO 2014-15 ASSESSED VALUATION:	
Direct Debt	2.37%
Combined Direct Debt (\$8,095,000)	2.93%
Total Net Direct and Overlapping Tax Assessment Debt	2.37%
RATIOS TO REDEVELOPMENT SUCCESSOR AGENCY INCREMENTAL VALUATION (\$1,001,758,726):	
Total Overlapping Tax Incremental Debt	1.43%

**CITY OF BELMONT
COMPUTATION OF LEGAL BONDED DEBT MARGIN**

June 30, 2015

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,290,249,361
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$198,384,351
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	
Amount of debt subject to limit	
LEGAL BONDED DEBT MARGIN	\$198,384,351

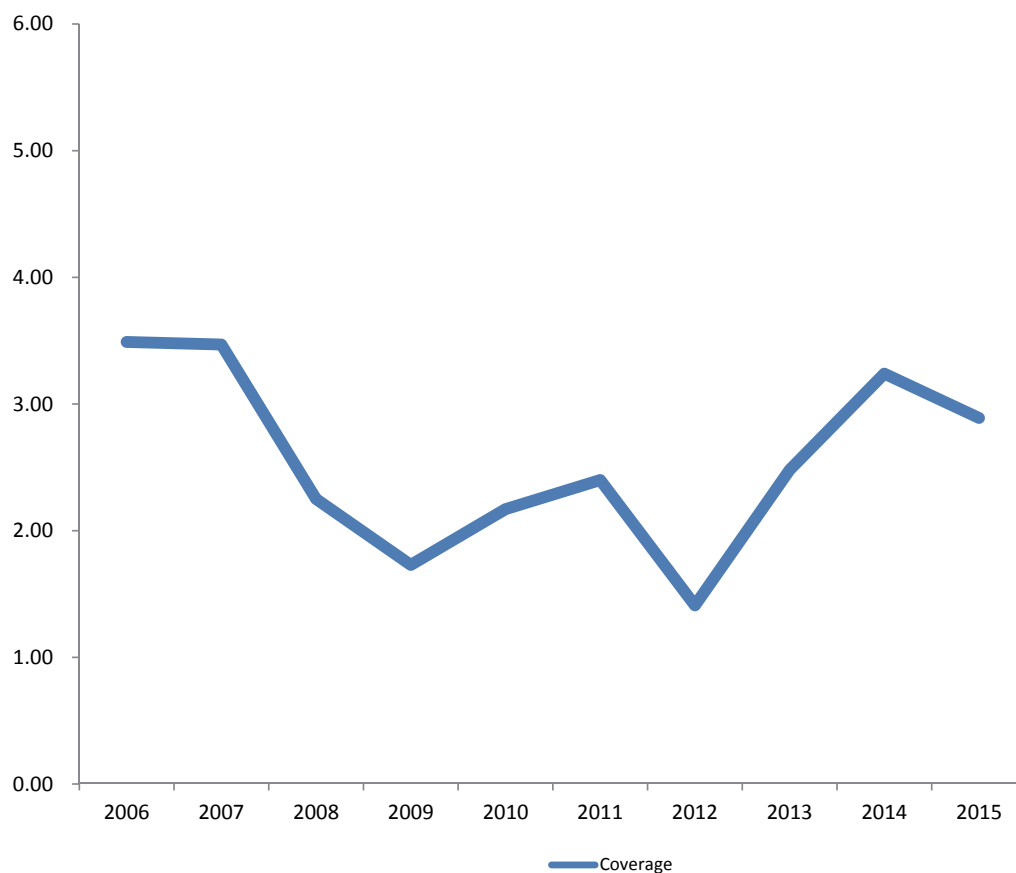
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$134,711,118		\$122,576,676	
2006	139,501,151		134,711,118	
2007	150,528,754		139,501,151	
2008	160,309,797		150,528,754	
2009	169,829,109		160,309,797	
2010	153,960,708		169,829,109	
2011	171,557,050		153,960,708	
2012	174,296,071		174,296,071	
2013	180,356,146		180,356,146	
2014	188,010,678		188,010,678	
2015	198,384,351		198,384,351	

NOTE:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value. Limits presented from prior years have been adjusted for this methodology.

**CITY OF BELMONT
REVENUE BOND COVERAGE
2001 AND 2006 SEWER REVENUE BONDS**

Last Ten Fiscal Years



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2006	\$5,143,811	\$3,473,611	\$1,670,200	\$140,000	\$338,232	\$478,232	3.49
2007	6,082,447	3,414,969	2,667,478	150,000	619,541	769,541	3.47
2008	6,413,549	4,302,573	2,110,976	300,000	637,064	937,064	2.25
2009	6,171,148	4,556,397	1,614,751	305,000	629,009	934,009	1.73
2010	6,364,629	4,377,200	1,987,429	315,000	601,354	916,354	2.17
2011	6,768,061	4,555,159	2,212,902	325,000	597,926	922,926	2.40
2012	6,316,841	5,011,347	1,305,494	345,000	583,870	928,870	1.41
2013	6,898,806	4,610,335	2,288,471	355,000	569,185	924,185	2.48
2014	7,867,359	4,876,816	2,990,543	370,000	553,972	923,972	3.24
2015	7,886,591	5,219,101	2,667,490	385,000	537,995	922,995	2.89

Notes: Sewer Bonds issued in fiscal 2001 and 2006

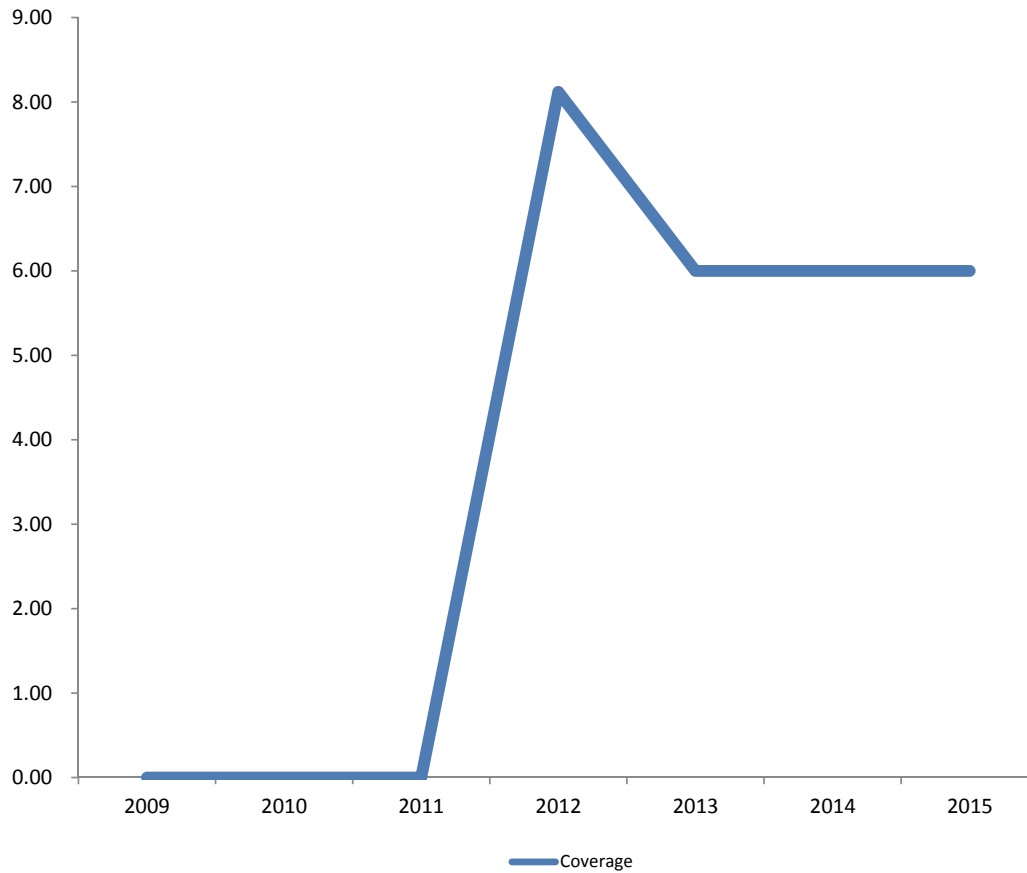
(1) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue

(2) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
REVENUE BOND COVERAGE
2009A SEWER TREATMENT FACILITY REVENUE BONDS**

Last Seven Fiscal Years

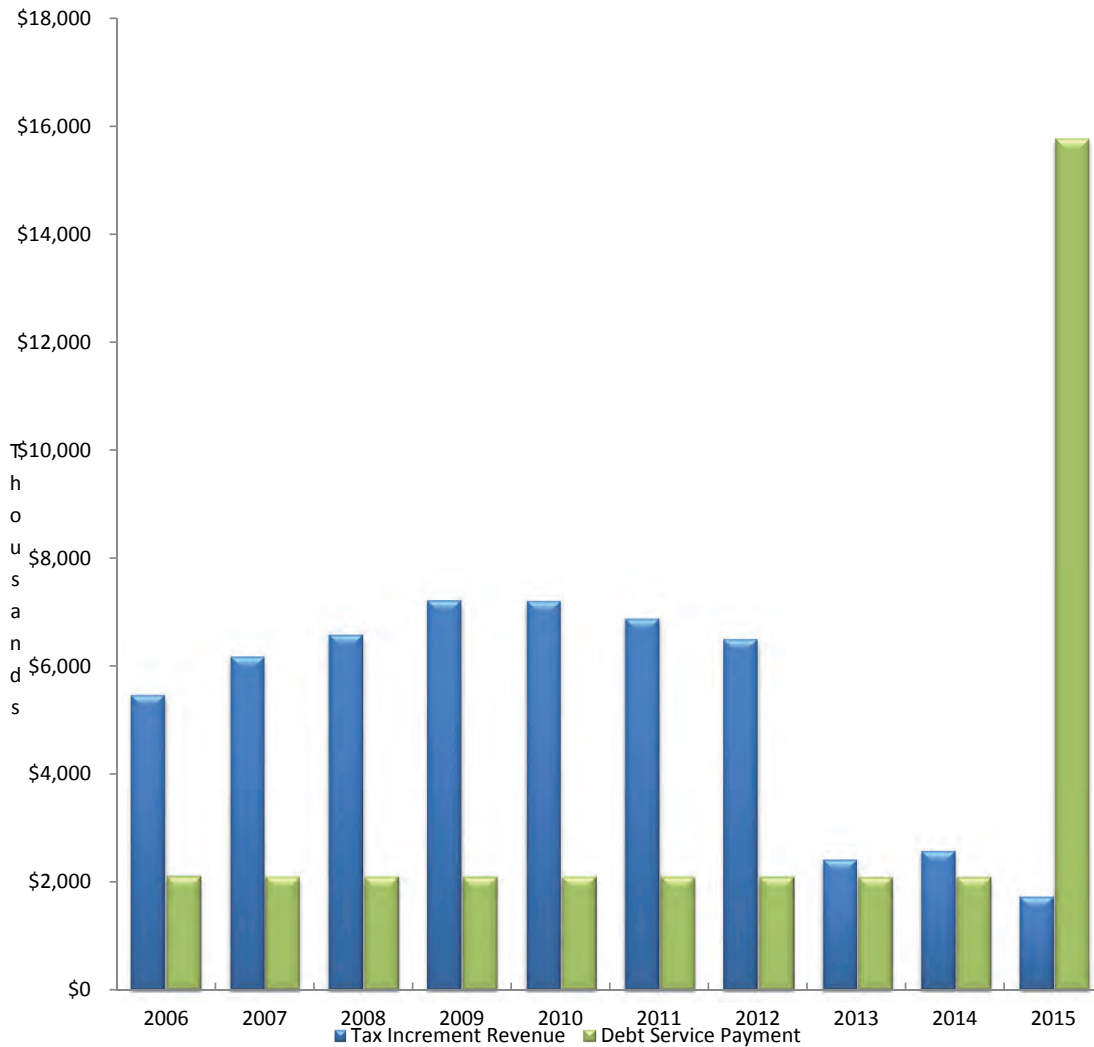


Fiscal Year	Sewer Treatment Facility Gross Revenue	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009							Nil
2010							Nil
2011							Nil
2012	\$3,061,696	\$201,006	\$2,860,690		\$352,132	\$352,132	8.12
2013	3,108,898	78,964	3,029,934	\$155,000	349,807	504,807	6.00
2014	3,111,925	79,127	3,032,798	160,000	345,082	505,082	6.00
2015	3,113,080	84,082	3,028,998	165,000	340,207	505,207	6.00

Notes: Debt service on the 2009 bonds is repayable from bond proceeds until fiscal 2011-12 and has been excluded.
Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
BONDED DEBT PLEDGED REVENUE COVERAGE
SUCCESSOR AGENCY (INCLUDING FORMER REDEVELOPMENT AGENCY BONDS)**

Last Ten Fiscal Years



Fiscal Year	Tax Revenue (a)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006	\$5,470,328	\$785,000	\$1,336,599	\$2,121,599	2.58
2007	6,181,571	820,000	1,297,408	2,117,408	2.92
2008	6,585,547	860,000	1,255,551	2,115,551	3.11
2009	7,221,672	900,000	1,210,704	2,110,704	3.42
2010	7,208,782	955,000	1,162,420	2,117,420	3.40
2011	6,881,547	1,005,000	1,110,538	2,115,538	3.25
2012	6,503,336	1,055,000	1,054,782	2,109,782	3.08
2013	2,430,695	1,110,000	994,608	2,104,608	1.15
2014	2,589,571	1,175,000	929,957	2,104,957	1.23
2015	1,744,119	15,605,000	165,050	15,770,050	0.11 (b)

Notes:

(a) Tax Incremental Revenues are no longer allocated to Redevelopment Agencies, effective January 31, 2012. Effective February 1, 2012, the Successor Agency had assumed all obligations of the Redevelopment Agency. Pursuant to law, the Successor Agency receives Real Property Tax Trust Funds Allocations to finance its activities including debt service on obligations of the former Redevelopment Agency.

(b) Coverage is low due to refunding of debt in fiscal year 2015

Source: City of Belmont Annual Financial Statements

**CITY OF BELMONT
SEWER SYSTEM
SUMMARY STATEMENT OF HISTORICAL
REVENUE AND EXPENDITURES
Last Ten Fiscal Years**

		Fiscal Year Ended June 30,				
	Notes	2006	2007	2008	2009	2010
REVENUES						
Charges for services		\$4,930,719	\$5,595,212	\$5,732,551	\$6,071,012	\$6,270,866
Connection charges	(1)	5,250	1,330			
Miscellaneous revenues (charges)			335		3,508	(9,168)
Interest revenue	(1)	207,842	485,570	361,664	193,335	17,059
Joint venture interest	(1)	(2,001)	(479,133)	312,334	(119,074)	74,954
Total Revenues		5,141,810	5,603,314	6,406,549	6,148,781	6,353,711
EXPENSES						
Personnel services		476,608	505,416	982,077	1,095,601	1,050,884
Supplies, materials and services		1,470,573	1,583,845	2,932,381	3,141,850	3,025,430
Sewer treatment services		973,588	1,325,708	388,115	318,946	291,718
Interest expense		344,467	629,467	631,814	635,511	783,162
Total Expenses		3,265,236	4,044,436	4,934,387	5,191,908	5,151,194
Total Operating Transfers	(2)	(842,573)	(843,372)	(1,520,660)	(1,776,533)	(1,776,528)
AMOUNTS AVAILABLE FOR DEBT SERVICE		\$1,034,001	\$715,506	(\$48,498)	(\$819,660)	(\$574,011)

		Fiscal Year Ended June 30,				
		2011	2012	2013	2014	2015
REVENUES						
Charges for services		\$6,430,195	\$6,153,537	\$6,851,049	\$8,054,697	\$8,413,152
Connection charges	(1)					
Miscellaneous revenues (charges)		682	(9,168)	871	500	
Interest revenue	(1)	9,641	17,358	8,605	11,726	12,711
Joint venture interest	(1)	157,550	(59,163)	(88,572)	(326,150)	(922,413)
Total Revenues		6,598,068	6,102,564	6,771,953	7,740,773	7,740,773
EXPENSES						
Personnel services		1,119,718	1,208,295	1,105,207	1,137,123	1,181,169
Supplies, materials and services		3,138,386	3,424,741	3,347,179	3,535,644	4,037,932
Sewer treatment services		297,737	168,137	158,820	204,549	
Interest expense		592,244	577,839	562,980	547,501	530,041
Total Expenses		5,148,085	5,379,012	5,174,186	5,424,817	5,749,142
Total Operating Transfers	(2)	1,178,759	(1,020,405)	(704,024)	(547,775)	(628,769)
AMOUNTS AVAILABLE FOR DEBT SERVICE		\$2,628,742	(\$296,853)	\$893,743	\$1,768,181	\$1,362,862

Notes:

(1) Not included in System Revenues under the Installment Purchase Agreement

(2) Includes transfers for storm drain improvements that mitigate infiltration and intrusion into the sewage system.

Source: City of Belmont

**CITY OF BELMONT
TEN LARGEST USERS OF THE SEWER SYSTEM**

User		Type	Fiscal Year 2014/15 Revenues*
Prime Old County LP	040-271-380	Multifamily Residential	\$145,899
Mc Lellan Estate Co	040-290-310	Multifamily Residential	110,204
Mc Lellan Estate Co	040-246-300	Multifamily Residential	83,797
Crestview South Apartments LLC	040-261-370	Multifamily Residential	69,663
Carlmont Woods II LLC	045-431-010	Multifamily Residential	68,800
Belmar Lessee	040-371-090	Commerical - Hotel	65,633
Carlmont Heights LLC	045-030-240	Multifamily Residential	59,213
Timberlane Apts Partnership LP	045-373-150	Multifamily Residential	57,844
College of Notre Dame	044-360-070	College	47,659
Essex Portfolio LP	045-373-160	Multifamily Residential	43,566

* Includes Base and Flow Charges

Source: City of Belmont

Required per 2001 Sewer Revenue Bonds Continuing Disclosure.

NUMBER OF SEWER SERVICE USERS

User Type	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
All Users	8,267 (1)	8,268 (1)	8,250 (3)	8,415	8,254 (2)
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
All Users	8,245 (2)	8,242	8,243	8,242	8,240

(1) Increase due to a change in billing procedures to include all parcels, developed or undeveloped

(2) Decline due to a change from a flat rate to a metered rate system.

(3) Decline due to adjustment of consolidated parcels.

**SEWER SERVICE REVENUES BY CLASS OF USER
June 30, 2015**

User Class	Revenue	Percent
Single Family & Multiple Family Residential	\$7,302,203	87.0%
Commercial/Institutional	1,110,053	13.0%
Total Revenue	<u>\$8,412,256</u>	<u>100.00%</u>

**CITY OF BELMONT
SCHEDULE OF BUDGETED & PROJECTED
SEWER TREATMENT FACILITY CHARGES
AND ASSOCIATED DEBT SERVICE**

Fiscal Year	Actual				
	2010-11	2011-12	2012-13	2013-14	2014-15
Sewer Treatment Facility Charges Revenue ^(A)	n/a	\$3,061,696	\$3,108,105	\$3,108,838	\$3,109,099
Debt Service Series 2009A Bonds	(\$352,131)	(352,131)	(504,806)	(505,081)	(505,206)
Surplus, after debt service	n/a	2,709,565	2,603,299	2,603,757	2,603,893
Debt Service Coverage Ratio	n/a	869.476%	615.700%	615.513%	615.412%

Fiscal Year	Projected				
	2015-16	2016-17	2017-18	2018-19	2019-20
Sewer Treatment Facility Charges Revenue ^(A)	\$3,109,099	\$3,110,343	\$3,110,845	\$3,173,062	\$3,236,523
Debt Service Series 2009A Bonds	(500,256)	(500,231)	(500,056)	(499,731)	(499,256)
Surplus, after debt service	2,608,843	2,610,112	2,610,789	2,673,331	2,737,267
Debt Service Coverage Ratio	621.502%	621.781%	622.100%	634.954%	648.269%

^(A) Not including amounts on deposit in the Rate Stabilization Fund.

If such amounts were added to revenues, debt service coverage would be higher than shown.

Collection of Charge began in 2011-12.

Required per 2009 Sewer Treatment Facility Revenue Bonds Continuing Disclosure.

**COMMUNITY FACILITIES DISTRICT NO. 2000-1 OF THE CITY OF BELMONT
CONTINUING DISCLOSURES**

June 30, 2015

Bond Principal Outstanding - August 1, 2015 \$6,340,000

Balance Outstanding by Fund - August 1, 2015

(surety bond w/
\$1 Ambac no value)

Reserve Fund

Maximum Debt Service Coverage

Year Ending August 1,	Net Taxes	Bond Debt Service	Debt Service Coverage
2004	\$855,013.15	\$328,750.00	2.60
2005	840,459.85	650,000.00	1.29
2006	848,544.45	645,000.00	1.32
2007	856,703.50	642,200.00	1.33
2008	864,937.60	640,300.00	1.35
2009	873,247.39	640,400.00	1.36
2010	881,633.49	640,425.00	1.38
2011	890,096.52	639,925.00	1.39
2012	898,637.11	643,900.00	1.40
2013	907,255.90	642,088.00	1.41
2014	915,953.53	644,163.00	1.42
2015	924,730.64	644,788.00	1.43
2016	933,587.86	639,550.00	1.46
2017	942,525.86	643,738.00	1.46
2018	951,545.28	641,775.00	1.48
2019	960,646.78	638,950.00	1.50
2020	969,831.02	640,263.00	1.51
2021	979,098.65	640,425.00	1.53
2022	988,450.35	644,438.00	1.53
2023	997,886.77	642,013.00	1.55
2024	1,007,408.60	643,438.00	1.57
2025	1,017,016.51	643,425.00	1.58
2026	1,026,711.17	641,975.00	1.60
2027	1,036,493.27	644,088.00	1.61
2028	1,046,363.49	644,475.00	1.62
2029	1,056,322.51	643,138.00	1.64
2030	1,066,371.04	645,075.00	1.65
Total	\$25,537,472.29	\$17,038,705.00	1.50

Special Tax Levy Delinquency Rate - June 30, 2015 0.06% (a)

Status of Foreclosure Actions on Special Tax Levy in Excess of \$10,000 None

Special Tax Delinquency in Excess of 5% of Total Levy

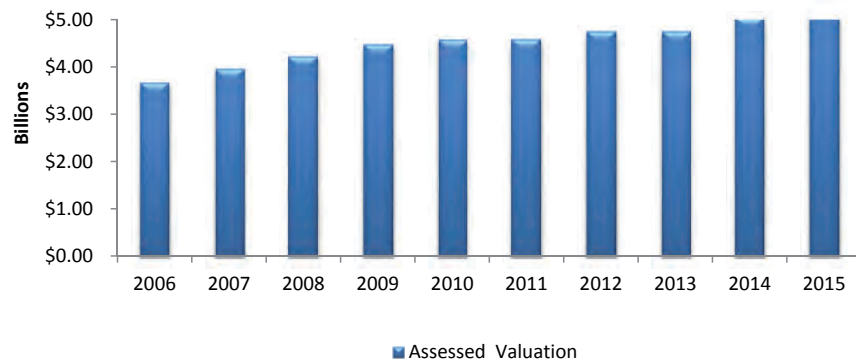
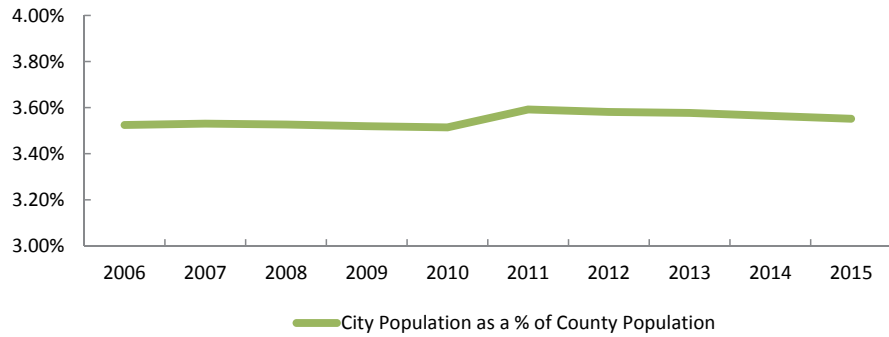
Owner	Land Use	Special Tax	Total Special Tax
None	N/A	N/A	N/A

Changes to Tax Rate and Method of Apportionment None

Supplemental California Debt and Investment Advisory
Commission Reporting None

CITY OF BELMONT DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years



Fiscal Year	City Population	Assessed Valuation	San Mateo County Population	City Population % of County
2006	\$25,364	\$3,680,850,297	\$719,655	3.52%
2007	25,897	3,974,645,304	733,496	3.53%
2008	26,078	4,235,656,524	739,469	3.53%
2009	26,250	4,490,171,565	745,858	3.52%
2010	26,507	4,597,984,645	754,285	3.51%
2011	26,031	4,609,144,625	724,702	3.59%
2012	26,123	4,771,116,217	729,443	3.58%
2013	26,316	4,771,116,217	735,678	3.58%
2014	26,559	5,074,906,017	745,193	3.56%
2015	26,748	5,290,343,441	753,123	3.55%
	2008-2012 (a)	2006-2010	2005-2009	
Per Capita Income:	\$52,892	\$52,376	\$52,509	
Unemployment Rate:				
Male:	7.57%	6.16%	4.39%	
Female:	5.49%	5.57%	4.72%	
Total Personal Income:	\$103,083	\$99,913	\$98,598	

(a) The most recent information available is from 2012.

Source: California State Department of Finance
County of San Mateo Controller's Office
www.usa.com

**CITY OF BELMONT
PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

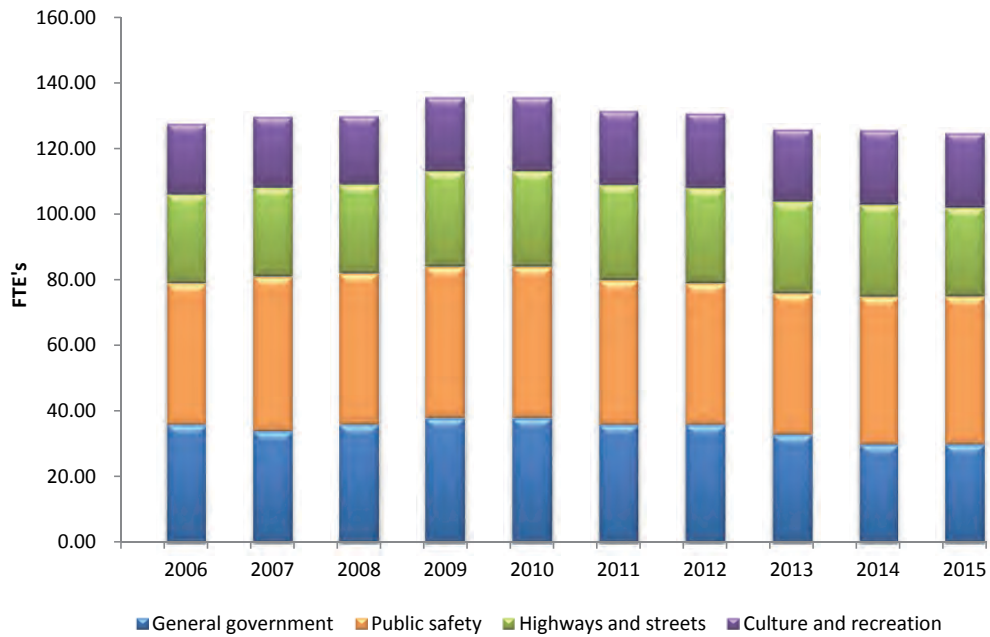
Fiscal 2014-2015		Fiscal 2005-2006	
Employer	Number of Employees	Employer	Range Number of Employees
ORACLE AMERICA, INC.	570	SAN MATEO COUNTY HUMAN SERVICES	500 to 999
RINGCENTRAL, INC.	272	YOUTH & FAMILY SERVICES	500 to 999
SAFEWAY STORE	183	COLLEGE OF NOTRE DAME	250 to 499
SUNEDISON	150	NIKON VENTURES CORP	250 to 499
NIKON PRECISION INC.	138	SAFEWAY	250 to 499
AUTOBAHN MOTORS	120	AHN MOTORS	100 to 249
AUCTION.COM LLC	112	BAY AREA SECURITY A	100 to 249
VOLKSWAGEN GROUP OF AMERICA	101	CARLMONT HIGH SCHOOL	100 to 249
SILVERADO SR LIVING BELMONT HILLS	100	CHILDREN'S PROTECTIVE SERVICES	100 to 249
CARLMONT GARDENS NURSING CENTER	97	HORIZON GROUP	100 to 249

Source: City of Belmont Finance, Business License, and <http://caljobmatch.com/1090.html>

Note: Data not available for ranking or total employment

CITY OF BELMONT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years



Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	36.00	34.00	36.00	38.00	38.00	36.00	36.00	33.00	30.00	30.00
Public safety	43.00	47.00	46.00	46.00	46.00	44.00	43.00	43.00	45.00	45.00
Highways and streets	27.00	27.00	27.00	29.00	29.00	29.00	29.00	28.00	28.00	27.00
Culture and recreation	21.65	21.65	20.90	22.65	22.65	22.65	22.85	22.10	22.85	22.85
Total	127.65	129.65	129.90	135.65	135.65	131.65	130.85	126.10	125.85	124.85

Source: City of Belmont Budget FY 2015

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CITY OF BELMONT
OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2006	2007	2008	2009
Function/Program				
Public safety:				
Belmont Fire Department (established October 1, 2011) (2)				
Fire calls for service				
Annual Fire Inspections				
New Business License Inspections				
Plan Checks				
Police:				
Police calls for service	23,289	21,505	20,905	23,221
Law violations:				
Part I crimes	2,327	2,140	2,869	1,741
Physical arrests (adult and juvenile)	667	470	521	539
Traffic violations (1)	3,471	4,070	2,313	6,128
Parking violations	2,127	2,509	2,735	2,238
Public works				
Street resurfacing (miles)	0.2	0.5	13.8	2
Culture and recreation:				
Community Services:				
Recreation class participants	18,757	22,070	26,205	25,645
Sewer				
Sewer Connections	8,601	8,601	8,604	8,607
Average daily treatment (millions of gallons) - City only	1.87	1.87	1.64	1.64
Average daily treatment (millions of gallons) - Total SBSA	17.20	17.20	15.75	15.75
Treatment capacity - SBSA (millions of gallons)	29.00	29.00	29.00	29.00
Storm drain inlets	1,500	1,500	1,500	1,500
Sewer main blockages	53	4	4	21

Source: City of Belmont

Notes:

- (1) The Red Light Camera Enforcement began operations in May 2010 and ceased June 2013.
 - (2) Fire services provided through Belmont-San Carlos Fire Department through September 30, 2011.
 - (3) Inspections in Harbor Industrial Area (HIA) began in fiscal year 2014.
 - (4) Starting in fiscal year 2013, only developed lots are reflected, stand-by parcels have been excluded.
- N/A denotes information not available.

Fiscal Year Ended June 30					
2010	2011	2012	2013	2014	2015
		1,734	2,948	2,585	2,678
		192	302	838	125
		25	50	55	45
		35	27	122	133
23,171	26,568	29,489	28,887	30,087	30,426
1,570	1,215	529	555	495	340
615	539	539	448	575	546
3,044	5,420	4,697	4,190	1,360	1,535
1,256	1,908	2,362	2,332	2,732	3,351
2	0	0	0	0	0
28,805	31,580	33,680	35,145	39,605	39,715
7,648	7,648	7,648	7,648	7,653	7,663
1.64	1.64	1.64	1.64	1.64	1.80
15.75	15.75	15.75	15.75	15.75	15.75
29.00	29.00	29.00	29.00	29.00	29.00
1,500	1,500	1,500	1,500	1,500	1,500
3	2	4	6	3	6

CITY OF BELMONT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	2006	2007	2008	2009
Function/Program				
General Government:				
Administration Buildings	2	2	2	2
Public safety:				
Fire stations (2)	2	2	2	2
Police stations	1	1	1	1
Public works				
Miles of streets	70	70	70	70
Street lights	1,087	1,087	1,087	1,087
Traffic Signals	12	12	12	12
Culture and recreation:				
Community services:				
City parks:				
Number of developed parks	12	12	12	13
Acres of developed parks	60.10	60.10	60.10	60.20
Number of undeveloped parks	3	3	3	3
Acres of undeveloped parks	26.16	26.16	26.16	26.16
Acres of open space	260.58	260.58	260.58	260.58
Community Buildings	18	18	18	18
Library:				
City Library (3)	1	1	1	1
Water (Provided by Mid-Peninsula Water District)				
Sewer				
Miles of sanitary sewers	85.00	85.00	85.00	85.00
Storm Drains (miles)	27.00	27.00	27.00	27.00
Number of treatment plants (1)	1	1	1	1

Notes:

(1) Provided through the South Bayside Systems Authority

(2) Provided through the Belmont-San Carlos Fire Department through September 30, 2011.

Belmont Fire Department established October 1, 2011.

(3) The Library is property of the City of Belmont and operated by San Mateo County.

Source: City of Belmont

N/A denotes information not available.

Fiscal Year Ended June 30

2010	2011	2012	2013	2014	2015
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
70	70	70	70	70	70
1,087	1,087	1,087	1,465	1,465	1,465
12	12	12	17	17	17
13	14	14	14	14	14
60.20	60.40	60.40	60.40	60.40	60.40
3	3	3	3	3	3
26.16	26.16	29.16	29.16	29.16	29.16
295.58	295.58	295.58	295.58	287.58	287.58
18	19	19	19	19	19
1	1	1	1	1	1
85.00	85.00	85.00	85.00	85.00	85.00
27.00	27.00	27.00	27.00	27.00	27.00
1	1	1	1	1	1

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